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Montgomery County, Maryland

Consolidated Plan for Housing and  
Community Development  
Fiscal Years 2011-2015  
July 1, 2010 to June 30, 2015

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*Montgomery County is committed to foster the letter and spirit of Equal Housing Opportunity.*

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Montgomery County, Maryland  
Consolidated Plan for Housing and  
Community Development  
Fiscal Years 2011-2015  
July 1, 2010 to June 30, 2015

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**CONSOLIDATED PLAN FOR  
MONTGOMERY COUNTY, MARYLAND\**  
**July 1, 2010 to June 30, 2015**

## **Executive Summary**

### **Background**

The United States Department of Housing and Urban Development (HUD) requires that all jurisdictions entitled to receive funding under the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with Aids (HOPWA) programs develop a Consolidated Plan for community development no less than every 5 years, and an Action Plan every year. Developing the plan is a collaborative process that relies on community input and provides an opportunity for strategic planning to ensure that actions taken at the local level are coordinated and comprehensively address priority housing and community development needs. An Action Plan is required annually to provide specific information on how the funds awarded will be used to meet the priority needs identified in the Consolidated Plan, and annual evaluation and performance reports are prepared to track progress and measure accomplishments.

This is a five-year Consolidated Plan, and along with the annual Action Plan, serves as Montgomery County's application for CDBG, HOME and ESG funds for Fiscal Year 2011 (July 1, 2010 – June 30, 2011). The Department of Housing and Community Affairs (DHCA) is the lead agency responsible for the submission of the Consolidated Plan to HUD, and this must be done no later than May 15 each year. The City of Gaithersburg is eligible to receive funds directly from HUD, so it prepares its own Consolidated Plan. The cities of Rockville and Takoma Park receive funding through the County but determine locally how CDBG funds will be used in their jurisdictions.

In addition, for other competitively awarded funds, HUD may require that applicants obtain a Certification of Consistency with the Consolidated Plan as part of the application submission. DHCA is responsible for providing these certifications for all projects in the county occurring outside the Gaithersburg city limits and does so at the request of the applicant and upon review of the proposed use of funds to ensure consistency.

### **Funding**

Montgomery County is entitled to receive more than \$8,000,000 in federal funding for fiscal year 2011 through CDBG, HOME and ESG formula allocations. HOPWA funds are awarded on a regional basis, with the State of Maryland assuming grant responsibilities for a service area comprised of both Frederick and Montgomery counties.

The CDBG program funds activities that primarily benefit low- and moderate-income (LMI) residents of the community and is used for a wide range of community development activities like housing rehabilitation loans, code enforcement, neighborhood revitalization projects and social services provided by nonprofit organizations. The HOME program funds loans for the creation and

preservation of affordable housing and grants for the provision of tenant-based rental assistance. The ESG program funds are used for eviction prevention or to provide shelter and services to persons who are homeless or at risk of becoming homeless. HOPWA funds tenant-based rental assistance and supportive services for persons living with HIV/AIDS and their families.

While DHCA is the lead agency for the preparation of the plan and administration of CDBG, HOME and ESG funds received by the County, the County's Department of Health and Human Services (DHHS) is the local "program sponsor," responsible, under contract with the AIDS Administration in the Maryland Department of Mental Health and Hygiene, for the HOPWA funding.

For the fiscal year July 1, 2010 - June 30, 2011, Montgomery County expects, that upon approval of its Consolidated Plan/Annual Action Plan, it will receive the following amounts:

CDBG	\$5,562,912
HOME	\$2,491,884
ESG	\$224,839
Total	\$8,279,635

The County received \$525,297 in HOPWA funds in FY2010 and anticipates receiving a comparable award for Fiscal Year 2011. Current funding is used for housing subsidies and 51 persons living with HIV/AIDS are being assisted. Information on how the County proposes to use the CDBG, HOME and ESG funds in Fiscal Year 2011 is noted later in this summary.

## **Consultation and Citizen Participation**

Montgomery County residents are afforded many opportunities to express their views and opinions, identify priority needs and discuss gaps in service delivery. Volunteer boards and commissions provide community input in all aspects of public policy and administration. DHCA facilitates an annual public hearing to solicit comments from residents concerning community development needs, with residents provided further opportunity for comment at public hearings held by the County Council in conjunction with annual approval of the budget. While DHCA provides residents with an opportunity to comment on the draft Consolidated Plan, staff also incorporates public input provided through issue-orientated forums and town meetings not directly related to the development of the Consolidated Plan. For example, the County Executive and County Council hold joint public town hall meetings in various locations around the county to listen to resident concerns. Other county departments hold community forums or conduct studies to obtain input in specific policy or program areas, such as services for special populations like the homeless and persons with disabilities or limited English proficiency or initiatives in the areas of recreation, youth and seniors, and economic development or commercial revitalization. For example, persons representing some thirty organizations worked on the development of a Continuum of Care for assistance to the homeless. Contact is made with the Housing Opportunities Commission (HOC) of Montgomery County to discuss the concerns of the agency and the residents it serves. The Maryland-National Capital Planning Commission, Montgomery County Department of Planning coordinates with DHCA on matters affecting housing in its plan making capacity and through regulation and control of land development. Finally, to ensure a regional perspective regarding a variety of issues including transportation,



affordable housing, fair housing and the homeless, the county actively participates in the Metropolitan Washington Council of Governments (COG) as a means of furthering inter-jurisdictional cooperation.

The county has a “Citizen Participation Plan” in accordance with federal requirements. In preparation of this Consolidated Plan, DHCA worked closely with the Community Development Advisory Committee (CDAC) appointed by the County Executive. A public hearing was held in October 2009 before the Community Development Advisory Committee (CDAC) to receive input regarding needs to be addressed in the plan and to review past performance. A summary of testimony from this hearing is on file at DHCA. Other hearings were held April 2010, before the County Council as part of the budget review process prior to finalizing the Action Plan for submission to HUD. DHCA worked to broaden public review of the plan through outreach to the Regional Service Centers, the Office of Community Partnerships and other interested parties. A draft of the plan was made available for public comment in accordance with specified timelines to ensure adequate time for comment.

In an attempt to make this document available for review/comment by as many interested individuals/groups as possible, draft copies were placed in the County’s five regional government service centers with the public being informed by local newspaper advertisements (copy included in the report) of the availability of the document and the opportunity to comment on it prior to final submission. The newspaper ads also noted that the document is available on the County’s website at: <http://www.montgomerycountymd.gov/Content/DHCA/index.asp>.

## **Needs Assessment and Analysis**

Montgomery County is a desirable place to live, and this desirability, characterized by strong schools and access to employment opportunities, has spurred population growth, immigration that continues to increase the ethnic and racial diversity of the county, a focus on transit-oriented development as traffic congestion worsens and the county approaches “build out” and an increasing demand for affordable housing.

In the 2000s, Montgomery County’s population grew by more than one percent per year and is estimated to be 957,200 for January, 2009. Contributing to the rise in population has been a high birth rate and foreign immigration. Between 2000 and 2008 the county gained 65,000 residents from a natural increase in population (i.e., births minus deaths). Over the same period, foreign immigration to Montgomery County accounted for nearly 67,000 new residents or about 86% of net migration. Montgomery County has also experienced a dramatic increase in its older population which is projected to continue through 2020. Between 1980 and 2000, the number of residents over the age of 65 increased 86% to a total of 92,500. This number is projected to increase to 152,648, an additional 65% by 2020. As a proportion of the County’s residents, elders will be more than 14% in 2020 compared to only 8.7% in 1980.

## **Housing (for persons with and without special needs)**

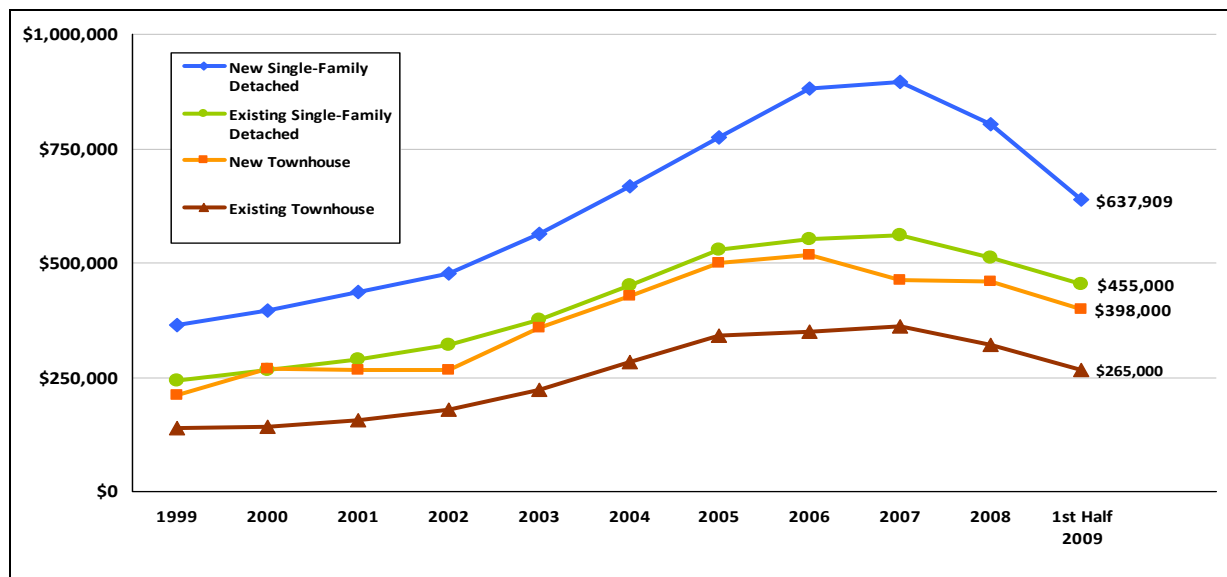
Even though the County has developed some of the most progressive and effective affordable housing programs in the country, programs such as the award-winning Moderately Priced Dwelling Unit (MPDU) program, and the Montgomery Housing Initiative Fund (HIF), a model trust fund,

current efforts do not sufficiently address the affordable housing needs As County Executive Isiah Leggett has noted:

*Each year, the demand for affordable housing rises in the County, which is why I recommended and the council approved increasing funding for the HIF from approximately \$24 million to \$34 million in FY '08 and to \$53 million in FY '09, an unprecedented 120 percent increase over two years. During this period, however, Montgomery County and the nation experienced a great economic crisis stemming from the collapse of our capital and financial markets, which threatened further to exacerbate affordable housing disparity.*

While more than 70% of county residents are owner-occupants, median for-sale home prices have generally increased over time faster than general inflation and faster than real incomes, causing affordability challenges for households with a wide range of incomes. From 2000 to 2007 the median sales price for single-family homes increased 128 percent while median household income increased by just 27 percent. Low interest rates and easy credit availability fed the dramatic increase in prices through 2006. Prices have weakened but are still unaffordable for many households.

Figure 1: Median Sales Prices, 1999 through June 2009



Source: Montgomery County Department of Planning

For those 30% of Montgomery County households that rent, a report released in March, 2010, by the Montgomery County Tenants Work Group, indicated that tenants, especially those with limited incomes, were seeing rents increase faster than the cost of living and their incomes. (The federal Fair Market Rent for a two-bedroom unit in the county as of 2009 was \$1,288.)

According to the Montgomery County Self Sufficiency Standard Report, September 2008 (the most recent date of publication) a family of three (one adult, one pre-schooler, one school-age child) needs an income of \$68,086 to adequately meet its basic needs without public or private assistance while living in the county. According to data available through the U.S. Census Bureau's 2009

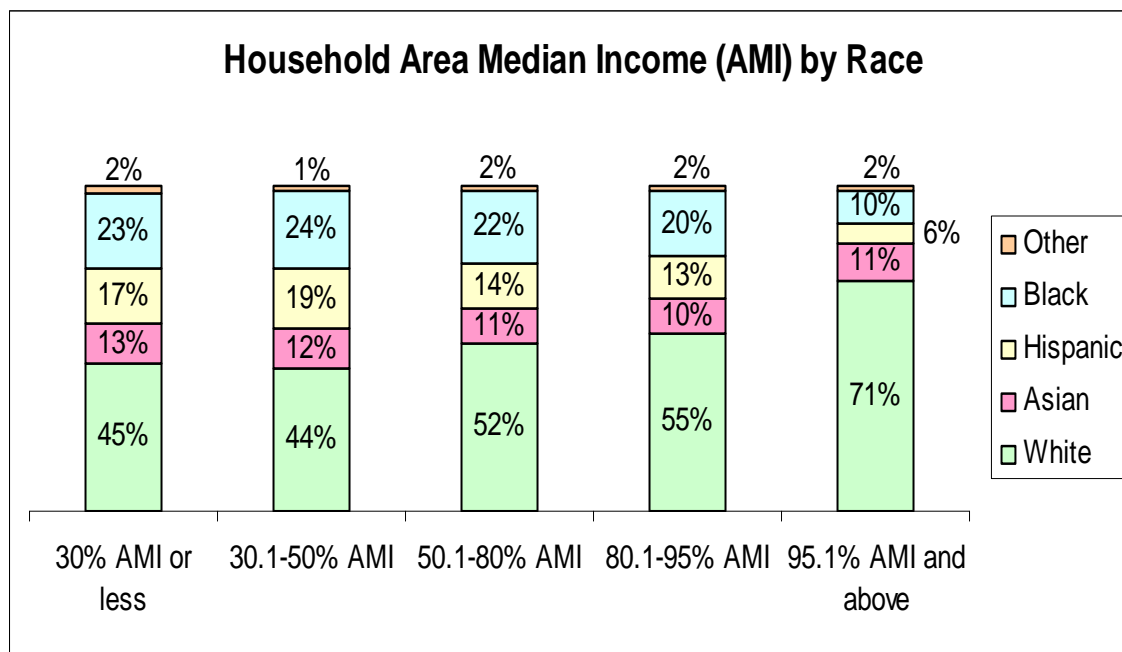
American Community Survey, just over one third of all county households were either severely or moderately “cost burdened” by housing, with blacks and Hispanics (all races) having significantly lower median household incomes than do Asians and non-Hispanic whites and, as such, disproportionately impacted.

Table 1

Tenure Status	Cost Burdened Households			Total as a Percent of All Households	All Households
	Moderate	Severe	Total		
Owner	43,875	25,460	69,335	28.8%	240,480
Renter	25,265	20,630	45,895	44.9%	102,140
Total	69,140	46,090	115,230	33.6%	342,620
Total as a Percent of All Households	20.2%	13.5%			
Moderate cost burden = housing cost greater than 30%, less than or equal to 50% of income					
Severe cost burden = housing cost greater than 50% of income					

Source: Department of Housing and Urban Development, 2009 Comprehensive Housing Affordability Strategy (CHAS)

Figure 2



Source: Department of Housing and Urban Development, 2009 Comprehensive Housing Affordability Strategy (CHAS)

There continues to be a need for additional affordable housing units for both renters and owners. Households with low- and moderate-incomes are finding it increasingly difficult to purchase a first home in the County. Increasing the supply of affordable workforce housing is becoming a more pressing priority as housing prices force many who work in the County to seek housing outside the County, impacting the available labor force and exacerbating traffic concerns.

## *Foreclosure Events*

Montgomery County, with 6,614 filings (15.3 percent of the statewide total), had the second highest number of foreclosure events in the State of Maryland for 2009 while representing 15.6 percent of the housing units in the State. Residents of Montgomery County received 869 default notices in the fourth quarter of 2009 (14.3 percent of the statewide total), the second highest number of defaults in Maryland. There was also a significant rise in foreclosure sales. Statewide a total of 8,311 notices of foreclosure sales were issued in the fourth quarter of 2009, compared with 5,795 notices issued in the previous quarter and 1,228 notices issued in 2008.

Foreclosure sales were heavily concentrated in Prince George's, Montgomery, Baltimore, and Anne Arundel counties as well as Baltimore City. A total of 809 notices of sales were issued in Montgomery County in the fourth quarter of 2009, representing 9.7 percent of all foreclosure sales statewide.

Montgomery County has identified geographic areas of the county that have been particularly hard hit by foreclosure events, including Germantown and parts of Wheaton, Aspen Hill and Silver Spring and is targeting assistance to areas hardest hit.

## **Special Needs**

Montgomery County assists **vulnerable populations** County-wide – those with low incomes and in need of affordable housing with supportive services, including the elderly, the developmentally disabled, persons with physical disabilities, persons with mental illness or chronic medical conditions, such as those living with HIV/AIDS, those with addictions and victims of domestic violence all have special needs. The county has set aside funding from the Housing Initiative Fund to expand much needed rental assistance, has worked to improve service delivery through a “no wrong door” policy for accessing services and by improving coordination of service delivery, as has been the case with the opening of the Family Justice Center, a comprehensive, “one-stop” service shop for victims of family/domestic violence and their children. The County has also, through its Commission on Aging and the Commission for Persons with Disabilities, encouraged universal design and visitability in new housing construction. Having accessible housing is especially important for older residents that want to age in place and for others with mobility impairments. The County Executive is also supportive of a zoning change that would allow accessory apartments by right under certain conditions in residential zones, and the County Council recently voted to add enhanced accessibility for disabled persons as one of a number of “public benefit” incentives for developers under the County's new Commercial-Residential (CR) zone.

## **Persons with Limited English Proficiency**

It is important to note that lower-income persons in need of affordable housing, with and without special needs, who have limited English proficiency, are in need of culturally sensitive and linguistically appropriate services. Some 30 percent of County residents are foreign-born, one in three speaks a language other than English at home and an estimated 14.5 percent are of limited English proficiency. In March, 2010, County Executive Isiah Leggett signed an Executive order on Language Access that will ensure consistently high quality services for residents with limited English

proficiency, institutionalize effective practices and encourage cross-agency coordination with other public institutions in the county and build upon the county's current Limited English Proficiency (LEP) policy.

## **Homeless**

A January 28, 2009, one-day count found 1,247 people experiencing homelessness in Montgomery County, an increase of 9% from 2007 to 2009. From 2008 to 2009 emergency shelter increased by 64% for families with children, reflecting the deteriorating economy and the impact of unemployment or under-employment on lower-income households. Income data show that while 44% of parents were employed either full or part-time, 70% had monthly incomes below \$1,000. In addition, among homeless families with children, 22% of the adults were victims of domestic violence in the past and 15% of adults do not speak English as a primary language.

Disability and other factors among homeless individuals show that 26% have serious and persistent mental illness, 31% have co-occurring substance abuse and serious mental health problems and 38% have physical disabilities and chronic health problems. Additionally, 19% of adult homeless individuals do not speak English as their primary language.

Eleven percent of homeless adults in Montgomery County work full-time but cannot afford housing. For the homeless or those threatened with homelessness, housing choices are not only limited by affordability considerations but also by the need of supportive services.

The weak economy has also resulted in increased need for emergency housing assistance to prevent homelessness, including emergency payments to prevent evictions and utility cutoffs. Preventing homelessness through early intervention, coordinated case management, and financial assistance are priorities, along with more long-term transitional and permanent housing and supportive services needed to help those already homeless. The need for year-round shelter and "safe havens" for those single homeless persons who are unwilling or are unable to assume the responsibilities inherent in participation in the County's system of social services continue to be priorities as well.

## **Funding Priorities and Strategies**

With the economic recession, needs in the County have continued to grow even while state aid and local revenues decline. Montgomery County is facing an unprecedented budgetary shortfall of \$779 million dollars for fiscal year 2011, and closing this gap will result in the largest spending reduction in county government since 1968. County Executive Isiah Leggett has been unwavering in his funding priorities of education, public safety and the "safety net" for the most vulnerable while closing budget gaps of nearly \$2 billion to address shortfalls in each of the four budgets that he has prepared.

Consistent with existing resource constraints, priority policy objectives continue to be:

*Children Prepared to Live and Learn*  
*Affordable Housing in an Inclusive Community*  
*Safe Streets and Secure neighborhoods*

*A Responsive and Accountable County Government*  
*Healthy and Sustainable Communities*  
*An Effective and Efficient Transportation Network*  
*A Strong and Vibrant Economy*  
*Vital Living for All of Our Residents*

Restoring fiscal prudence and restructuring government to make it more accountable and effective are important strategies to ensure that spending is sustainable and that, funds, while more limited, continue to be well spent. Several initiatives are underway that will enhance efficiency, effectiveness and responsiveness. The county is implementing a centralized call center and constituent services management system (MC311 ) that provides both a “one-stop” number for the public to call for non-emergency information and a tracking system to ensure that every caller gets a timely response. The county is also upgrading its financial, procurement, human resources and budgeting systems, streamlining business processes and enhancing reporting capabilities.

An overarching strategy is the focus on “managing for results,” with performance data becoming the primary basis for review and analysis of the funding requests of county operating departments. Montgomery County is transitioning the budgeting process to a results-based budgeting system. The County Executive has also established a CountyStat Office that works with county operating departments and partner agencies to focus on performance management using four principles: require data-driven performance; promote strategic governance; increase government transparency; and foster a culture of accountability. Opportunities for cross departmental/agency coordination have been enhanced through a collective focus on key, cross-cutting issues, such as foreclosures and affordable housing, positive youth development, vital senior living and pedestrian safety. In addition, the Department of Housing and Community Affairs has begun Focused Neighborhood Assistance in two geographically-defined areas selected using CountyStat principles.

### **Focused Neighborhood Assistance**

The Department of Housing and Community Affairs (DHCA) has chosen two geographical areas of the county, one in Wheaton/Glenmont and the other in the Germantown area in which to pilot a new initiative in partnership with residents to strengthen and improve their neighborhoods, expecting that the effort can be modified and expanded to other areas as lessons are learned and resources allow. Neighborhoods were chosen as the result of a data-driven analysis focused on single-family homes in primarily, if not exclusively, residential neighborhoods and grew from a belief in the importance of strong, well-maintained neighborhoods as a critical component of overall community well-being.

In identifying areas for consideration, data on crime, income (as viewed through the numbers of school-age children eligible for Free and Reduced Meals) and single-family rentals (later refined to focus on foreclosure events) county-wide was collected and analyzed. This analysis identified areas that appeared to be experiencing challenges greater than those experienced by the county overall. Staff further refined neighborhood selection among the areas identified by looking both for commonalities that would facilitate community connections, for example, school boundaries and for any natural separators, such as waterways and/or major roadways. In addition, staff considered areas that appeared to already meet eligibility criteria for certain types of federal or state funding, such as funding to assist in mitigating the negative impact of foreclosures.

The County identifies areas eligible for CDBG funding according to HUD income guidelines and using Census 2000 at the census block group level. The following three figures show the two Focused Neighborhood Assistance areas together with areas eligible for CDBG funding

The map displays the geographical layout of Travis County, Texas, with its county boundary clearly defined. Major interstate highways (I-270, I-370, I-495) and state highways (e.g., 28, 109, 117, 124, 182, 193, 396) are shown as a network of lines across the county. Light blue shaded regions indicate areas eligible for CDBG funding, primarily concentrated in the central and eastern parts of the county. Two specific focus areas are highlighted: the Upcounty Focus Area, outlined in red, is located in the north-central region near the intersection of I-270 and I-370; the Mid-County Focus Area, outlined in blue, is situated in the south-eastern part of the county near I-495 and I-370. A legend in the bottom-left corner provides the key for these symbols.

**Legend**

- Upcounty Focus Area
- Mid-County Focus Area
- CDBG Eligible Areas

Figure 4: Upcounty Focus Area – Percent of Population of Low-Mod Income

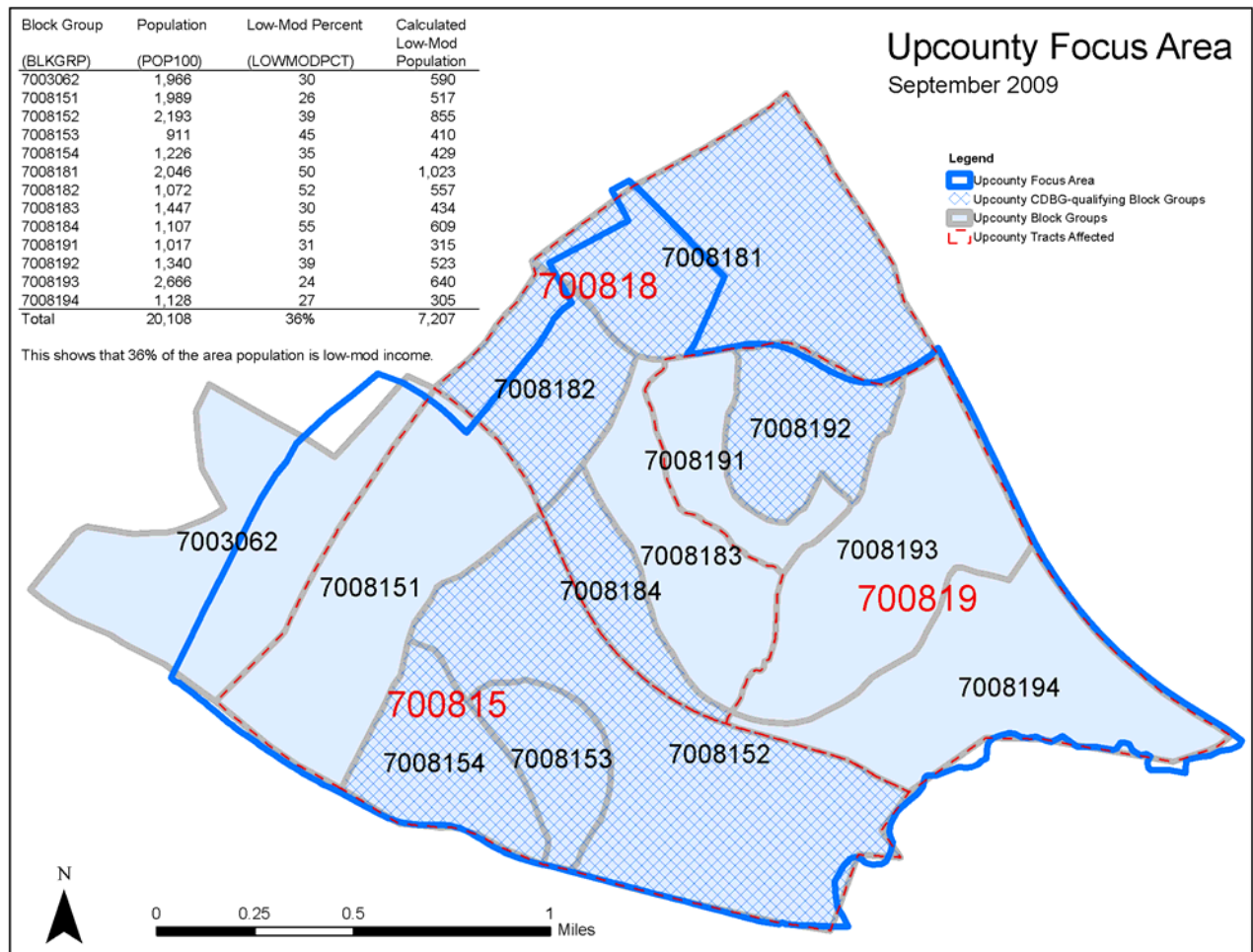
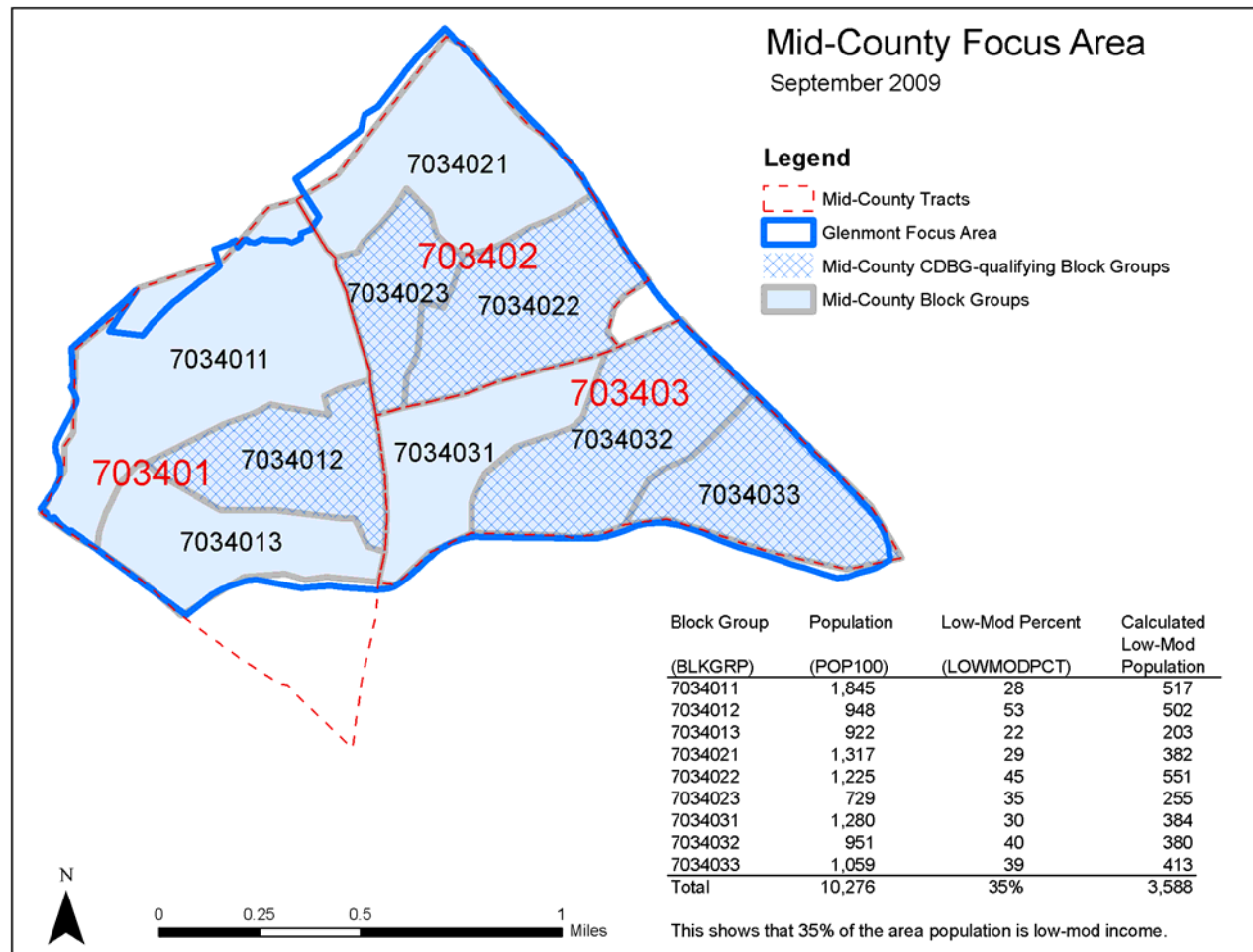




Figure 5: Mid-County Focus Area – Percent of Population of Low-Mod Income



## Affordable Housing

Increasing the supply of affordable housing through both preserving existing units as affordable and expanding the supply of new affordable units is an ongoing priority. Housing priorities include maintaining existing housing through code enforcement and rehabilitation, preserving housing that could be lost from the affordable housing stock, modernizing public housing, building new, affordable housing, including housing for special needs populations and for those who need moderately-price housing who may work in , but cannot afford to live in, the county.

The County uses local funds, as well as federal and state resources, to create and preserve affordable housing by partnering with housing providers to provide flexible financing designed to leverage other sources of funds and to be responsive to unique project requirements. Montgomery County has used a number of strategies to address affordable housing priorities, developing a range of tools and incentives, including a locally funded housing trust fund and an award winning inclusionary zoning program.

County Executive Leggett has appointed a number of task forces and work groups to bring together informed individuals from all sectors to examine and make recommendations on a wide variety of issues. Those related to housing include the Affordable Housing Task Force, the Code Enforcement Work Group, and the Tenants Work Group. Other boards, committees and commissions work on a variety of issues like poverty (Community Action Board) and the needs of special populations (Commission on Aging; Commission on Persons with Disabilities) that inform the housing discussion and that, along with other groups and initiatives, like the Interagency Fair Housing Coordinating Group and the Senior Sub-cabinet for Vital Aging, make recommendations and serve as strong advocates for affordable housing. Relying on the talent and dedication of those who volunteer is an important strategy in bringing the “best thinking” from all view points to address concerns.

A number of the recommendations made by these groups have been implemented or are being considered. As a result of a recommendation from the Affordable Housing Task Force that the county develop and fund an instrument to provide short term acquisition financing for public, nonprofit, and for-profit agencies, the county included a \$25 million bond issue in the FY2009 budget for its housing trust fund (the “Housing Initiative Fund” or HIF) to support acquisitions. The county, through the Department of Housing & Community Affairs (DHCA), is making use of the new HIF acquisition funding, and continuing to use housing code enforcement, multifamily rehabilitation loans and assignment of right-of-first-refusal contracts to nonprofit housing providers to promote extended affordability in housing developments.

Preservation of existing affordable housing, especially public housing, is a growing concern as federal funding for maintenance decreases below what is needed and the existing housing stock ages. Using funds provided from federal stimulus dollars and other resources, the county continues to enhance affordability for lower-income households through the provision of weatherization assistance and other energy improvements, while addressing lead hazards and correcting housing code violations.

The Maryland-National Capital Park and Planning Commission (M-NCPPC) has prepared a draft amendment to the Housing Element of the 1993 General Plan Refinement that is currently under review. The draft makes note of the “...chronic shortage of housing that is affordable for much of the County’s work force and other moderate and lower income households.” As drafted, it makes recommendations for housing in the county and identifies policy objectives, regulatory reforms, and land use strategies needed to accomplish the recommendations. Recommendations include concentrating new housing in mixed-use, transit-oriented areas, revising the zoning ordinance to clarify that affordable housing is a permitted use in all residential zones, allowing accessory apartments by-right under appropriate design standards and conditions, and eliminating excessive or unnecessary barriers to the provision of special needs housing.

Since 1974, Montgomery County has had an inclusionary zoning law. In fact, the Moderately Priced Dwelling Unit Program (MPDU) is believed to be the country's first mandatory inclusionary zoning law that specified a density bonus allowance to builders for providing affordable housing. The law presently requires that between 12.5 and 15 percent of the total number of units in every subdivision or high-rise building of 20 or more units be moderately priced. The law allows the County's public housing authority the right to purchase one-third of the moderate priced units produced in each subdivision to assist low-income tenants. To expand and retain an inventory of low-income housing in the County the law permits the public housing authority, the Housing Opportunities Commission, (HOC) and recognized nonprofit housing sponsors to purchase up to 40% of the

affordable units (HOC is limited to one-third). The County imposes certain resale and occupancy restrictions on the MPDUs when the completed units are sold. Because of changes in the law over time, this controls period varies according to when the unit was initially sold. For this reason, the control period can be either 10, 15, or 30 years. The price for which the unit can be resold is controlled during this period, and the unit must be resold through the MPDU program to another MPDU certificate holder. The County has the right of first refusal to purchase any MPDU put up for sale, and almost all units that are sold during the control period are purchased by the County or HOC. The county also has a Workforce Housing program. The law applies to developments in certain high density, transit-oriented zones in the County, and to future, new developments that are approved by the Maryland-National Capital Park and Planning Commission (M-NCPPC). The Workforce Housing bill will require developers of projects with 35 units or more, and which are located in Metro Station Policy Areas in the County, to provide 10 percent of the units as Workforce Housing units. Also, when the County makes county-owned land available for residential development through a competitive process, it requires that a Workforce Housing component be included.

Montgomery County's Revolving Loan Program for Downpayment/Closing Cost Assistance began in 2005. The program is managed by the County's Department of Housing and Community Affairs and is funded annually by the Housing Initiative Fund (HIF) based on budget availability. Administration of the program is provided by the Housing Opportunities Commission (HOC). First time first-time home buyers who work in Montgomery County and are purchasing their first home in the County may apply for the program. Home buyers who meet the income and eligibility guidelines can receive a loan up to \$10,000 (or up to 5% of the purchase price) towards their downpayment and closing costs. The loan is fully repayable over a 10-year period at an interest rate of 5%.

Recently, the Montgomery County Council approved Zoning Text Amendment 09-08 creating a new family of Commercial/Residential (CR) Zones that will allow some future redeveloped areas designated in master plans to become more dense mixed-use communities that will encourage residents and businesses to be less dependent on automobiles and more reliant on increased public transit. DHCA comments on all master and sector plans, advocating that affordable housing be addressed in the plans, and that the Maryland-National Capital Park and Planning Commission (M-NCPPC) establish an "affordable housing goal" in each plan area.

Special needs housing for our most vulnerable residents, particularly housing with supportive services, continues as a high priority. There are a number of groups with special needs, including, but not limited to, the homeless or those threatened with homelessness, persons with physical or developmental disabilities, the elderly, those who are victims of abuse, those for whom stable housing is a requirement for family preservation or reunification, former inmates and those with chronic mental illness or addictions.

The county has also increased local funding for rental assistance for formerly homeless persons or those threatened with homelessness as well as for persons with disabilities. It is a priority to prevent households from becoming homeless and to increase the availability of permanent affordable and affordable supportive housing in accordance with both the county's Continuum of Care (CoC) and its Housing First approach. Preventing homelessness through early intervention, coordinated case management, and financial assistance is an important strategy. The Housing First initiative continues to support homeless prevention, homeless outreach and the rapid placement of homeless individuals

and families in permanent housing. The CoC, a public-private partnership between government, non-profit and faith-based organizations, presents a strategy and funding priorities to address the problems of homelessness in a comprehensive manner.

Additional resources are being focused on eviction prevention, foreclosure mitigation and rapid re-housing of the homeless using federal “stimulus” funds. Additionally, in the spring of 2008, the State of Maryland's foreclosure law was changed to add protections for homeowners, and more recently for tenants. Montgomery County has devoted financial resources to enable nonprofits, like Habitat for Humanity, acquire vacant, foreclosed homes for homeownership and the Housing Opportunities Commission to acquire vacant, foreclosed homes for long-term affordable rental housing, while continuing to provide housing counseling and financial literacy to assist with foreclosure mitigation.

### **Non-housing Community Development**

Education, public safety and safety net services continue as top priorities, although needs in these and other areas cannot be fully met given the economic downturn and there have been unavoidable service cuts. Even with these cuts, the county is developing a new Public Safety Headquarters, designing a new Criminal Justice Complex and adding new police recruits and building needed fire stations and district police stations. The Department of Health and Human Services is continuing the “no wrong door/customer service initiative” to improve access to services and coordination of care, including access to quality health care (physical, oral and behavioral health), food and clothing for low-income and underserved populations. Additional family support services, including childcare subsidies and youth development programs as well programs that enhance the well-being of other special needs groups like pregnant women, the frail elderly, victims of domestic violence and persons with developmental disabilities or chronic medical conditions are on-going needs.

Public library services, recreation facilities and services continue to enhance quality of life for all county residents but especially for those with limited incomes. Access to transportation and pedestrian safety improvements are particularly important.

In the short-term, a key community development objective is to continue to move the county government towards a results-based culture, doing the best possible job of using finite public resources, that have become increasingly limited given the economic downturn, to meet priority needs in the most effective and efficient way possible. In the long-term, results-based budgeting will continue to ensure that the county continues to use resources wisely to provide not only decent housing but also a suitable living environment and expanded economic opportunities for all county residents, especially those with limited incomes.

### **Economic Development Activities and Anti-Poverty Strategies**

The Montgomery County Department of Economic Development (DED) is charged with implementing the County's economic development vision of being a globally-competitive, highly-diversified and knowledge-based economy that provides for the retention and growth of existing companies, stimulates new job creation and enhances entrepreneurial opportunities for all businesses. Montgomery County places a high priority on cultivating a positive business climate. The county

established a Small Business Revolving Loan Fund in 2002 that, since its inception, has distributed more than \$1.88 million in loans to some 30 county businesses. The county has developed a Life Sciences and Technology Economic Development strategy and is the only local jurisdiction in the nation to provide a biotechnology tax credit. In February, 2010, the county signed a Memorandum of Understanding with Johns Hopkins University that reflects the shared objectives of advancing the biosciences industry, higher education and workforce development within the county. The County Executive also appointed a Green Economy Task Force that will recommend ways to support and grow this evolving business sector.

Effective July, 2003, the county enacted a law requiring the payment of a living wage (currently \$12.95 per hour) by for-profit contractors with 10 or more employees who have contracts totaling \$50,000 or more with the County in a year, and effective July, 2009, under the county's prevailing wage law, contractors and subcontractors are required to pay prevailing wages to workers on county construction projects valued at more than \$500,000 that are awarded or financed by county government. The county sets prevailing wage rates by using the rates established by the State Commissioner of Labor and Industry, and this law also prohibits the misclassification of workers into lower paying job categories, giving the county the ability to withhold contractor payments, if a violation of the law is found. Montgomery County also supports workforce development through MontgomeryWorks, a "one-stop" career system, that provides an array of vocational assessment, job readiness and job training and job placement services to dislocated workers, low-income adults, older workers, disadvantaged workers and youth.

Montgomery County also continues to invest in public education as a high priority, supporting a world-class school system, the 16th largest school district in the nation. The county prides itself on encouraging and supporting education as part of an overall commitment to making rigorous academic programs available to all students. This includes support for access to preschool, nutritious meals for lower-income students, family support through programs such as Linkages to Learning and initiatives such as the Kennedy Cluster Project to identify and address the underlying causes of the achievement gap among African American students, and Excel Beyond the Bell, a partnership with the Montgomery County Collaboration Council for Children, Youth and Families, to provide out-of-school time activities for at-risk youth.

Economic development activities go hand-in-hand with anti-poverty strategies. According to a January, 2010, report from the Brookings Institution, Montgomery County is home to a poorer population now than 10 years ago. The Department of Health and Human Services reports that public assistance caseloads have grown every month since fiscal year 2007 showing increases of 34% for Temporary Cash Assistance, 60% for Food Stamps and 32% for Medicaid. Providing jobs for the unemployed or under-employed is a pressing need as is continued housing-related assistance, particularly for eviction prevention and counseling to mitigate the impact of foreclosure.

The Community Action Board (CAB), the County's federally-designated anti-poverty group, provides a voice for low-income people in the county, advocating for policies and services on their behalf and sharing the challenges facing low-income residents. The priority support of 'safety-net' services is clearly an anti-poverty strategy, one that seeks to preserve the services needed by the most vulnerable, including the transportation and childcare subsidies that working parents need. The CAB has become a strong supporter of the Voluntary Income Tax Assistance (VITA) program and promotes

awareness of the Earned Income Tax Credit (EITC) as one of the largest and most effective federal anti-poverty programs. The CAB also supports financial literacy services as a means of assisting low-income persons move toward self-sufficiency. The County's VITA program has completed tax returns for 2009 for more than 1,000 households and is also educating lower-income consumers regarding the danger of Refund Anticipation Loans, and the CAB is participating in "Money Management Days" at Montgomery College campuses in April with other community partners and the Montgomery County Council for Financial Literacy (MCCFL).

Job training and adult English literacy are also seen as keys to assist low-income persons in securing employment, and of particular note for 2010, are the County's ongoing outreach efforts regarding the census. Working to ensure a complete count of county residents during the decennial census on April 1, 2010, is an important way that Montgomery County will ensure that the county receives a fair allocation of federal and state funding. This funding is critical to providing many of the services and supports needed as part of an anti-poverty strategy and to address other housing and non-housing community development needs.

The Family Self-Sufficiency (FSS) Program at HOC helps currently assisted families achieve self-sufficiency over a five to seven year period and to end dependency on all public benefits, such as welfare, food stamps, medical assistance, and child care subsidies. There are currently 441 families voluntarily participating in the program, primarily composed of single female heads of household with one or two children. Since its inception in 1993, a total of 655 FSS families have successfully graduated the program and one third of the graduates have advanced from unemployment/welfare assistance to self-sufficiency. Participants have benefited from CDBG sponsored activities that have allowed for employment to replace welfare.

### **Lead-based Paint Hazards**

They are approximately 47,000 thousand units built prior to 1950 and 162,000 units built between 1950 and 1978, although current figures are not available for the numbers of these units that may be occupied by lower-income households. (The federal government banned lead-based paint from housing in 1978.)

According to Maryland law (effective October 1, 2004) all residential rental properties in Montgomery County have to meet the requirements of the state Lead Poisoning Prevention Program in order to be licensed. Properties built before 1950 have to provide proof to DHCA of their registration with the Maryland Department of Environment (MDE) or proof that the rental property is lead free.

Fact sheets regarding the specifics of Maryland and federal law and other materials regarding lead paint are provided to all rental property owners. Under the Housing Choice Voucher program, both the participating landlord and family sign a statement containing a disclosure of known information on lead-based paint and/or lead-based paint hazards in the unit, common areas or exterior painted surfaces and that the owner has provided the lead hazard information pamphlet to the family.

In addition to testing residences, young children are tested for possible exposure to lead paint. The County's Department of Health and Human Services (DHHS) has a program in partnership with the state for testing and case management for children who have elevated blood lead levels (at least 10

micrograms per deciliter) and promotion of lead safe environments through education and outreach. There are very few children in Montgomery County who have elevated blood lead levels and, upon investigation, exposure has more often come from outside the county and/or from non-housing sources, such as toys. In partnership with federal and state governments, the County, public housing authorities and other partners educate and outreach to schools, child care facilities, landlords, residents, and the medical community about lead poisoning.

The United States Environmental Protection Agency's Renovation, Repair and Painting Final Rule (created under the authority of the Toxic Substances Control Act (section 402(c)(3) of TSCA) and becoming effective April 22, 2010) contains new rules regarding environmental lead exposure when working on existing housing units. The County's new low-income, home-weatherization program, funded the American Recovery and Reinvestment Act through the U.S. Department of Energy, is training and certifying six DHCA employees to oversee weatherization efforts. The training covers all major aspects of the EPA's Renovation, Repair and Painting Final Rule.

### **Barriers to Affordable Housing**

While barriers exist to the creation and preservation of affordable housing, the county continues to work to address these. The County Executive has received wide-ranging support and enlisted countless volunteer hours from those willing to serve and offer their expertise on the many task forces, work groups, boards, committees and commissions convened to address concerns and make recommendations. Throughout this summary, there have been numerous examples of actions being taken. Although the availability of financing continues to be a barrier, the county is using bond funding to provide short-term acquisition financing to augment other funding as recommended by the Affordable Housing Task Force. Changes in legislation recommended by the Code Enforcement Work Group that have been adopted and result in more timely and effective housing code enforcement. The draft amendment to the Housing Element of the 1993 General Plan Refinement that is currently under review has recommended a number of policy objectives, regulatory reforms, and land use strategies that will further affordable housing objectives, and the recent approval of new Commercial/Residential (CR) Zones will allow some future redeveloped areas designated in master plans to become more dense mixed-use communities.

### **Institutional Structure/Coordination/Public Housing**

Montgomery County is fortunate to partner with many for-profit and not-for-profit agencies and public institutions in carrying out its housing and community development objectives. The service delivery system, while strong overall, is being strained by increases in demand and reductions in funding resulting from the economic recession. Total applications for public assistance programs (Temporary Cash Assistance, Food Stamps and Medicaid) have increased dramatically while cuts in public funding at both the state and local level and reductions in the amount of philanthropic and other private-sector support is resulting in less funding to meet greater needs. Local funding for the creation and preservation of affordable housing, while still substantial relative to other jurisdictions, has also been cut. The County continues to work closely with the Housing Opportunities Commission, as a public housing entity, in meeting the housing needs of our low-income residents. HOC is not only a public housing agency but also a redevelopment authority. Commission members are appointed by the County Executive and approved by the County Council.

Montgomery County government works closely with public and assisted housing providers and private and governmental health, mental health and service agencies to ensure a coordinated response in meeting the need for affordable housing, including housing both with, and without, supportive services. Through a “cross agency initiative” under the auspices of CountyStat, the department directors of DHCA, DHHS and the Executive Director of HOC conduct CountyStat presentations on affordable housing before the County Executive/Chief Administrative Officer together in keeping with a coordinated approach.

The HOC works closely with its residents to become more involved in management through participation in the Resident Advisory Board. It also encourages participation in its Family Self-Sufficiency and Employment Initiative programs as ways of obtaining the skills and experiences necessary for successful employment and of becoming financially prepared to purchase a home or to meet other life goals. HOC offers closing cost assistance, first mortgage loans through participating lenders, homeownership counseling and other supports for those who participate in a HOC program, like the Housing Choice Voucher program and/or live in a property owned or managed by HOC.

In addition, Rockville Housing Enterprises (RHE) serves as the public housing authority for the City of Rockville, with a Board of Commissioners appointed by the Mayor and approved by the City Council. RHE works with the residents of its 105 public housing units through a full-time Resident Counselor who assists residents with employment preparation, budgeting workshops and referrals to educational opportunities and other services.

## **Action Plan**

The Department of Housing and Community Affairs (DHCA) is the lead agency responsible for the submission of the Consolidated Plan to United States Department of Housing and Urban Development (HUD). This year’s Plan must be delivered to HUD by May 15, 2010. It includes five-year affordable housing production and preservation goals as well as a one-year Action Plan. The Action Plan specifies how the county proposes to spend the federal CDBG, HOME and ESG funds it expects to receive for FY2011.

A public hearing was held in October 2009 before the Community Development Advisory Committee (CDAC) to receive input regarding needs to be addressed in the Plan and to review past performance. A summary of testimony from this hearing is on file at DHCA. Other hearings were held in April 2010 as part of the County Council’s budget approval process.

Montgomery County has a number of progressive procurement laws and regulations, including the Living Wage Requirements Law, Prevailing Wage Law, the Minority, Female and Disable Owned Businesses (MFD) Program, and the Local Small Business Reserve Program (<http://www.montgomerycountymd.gov/content/DGS/pro/Index.asp>). All spending associated with this Action Plan must be in compliance with the laws and regulations of Montgomery County as well as all applicable federal laws and regulations, the most stringent among them prevailing.



*Projected Use of Funds – CDBG/HOME/ESG*

**Community Development Block Grant (CDBG)  
July 1, 2010 - June 30, 2011**

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) \$6,062,912**

The county expects to receive \$5,562,912 in CDBG funds for Fiscal Year 2011, and with anticipated program income of \$500,000, an estimated total of \$6,062,912 in CDBG funds will be available for the following activities.

**CAPITAL IMPROVEMENTS PROJECTS \$1,890,000**

**Fenton Street Village Pedestrian Linkages \$400,000**

This project provides pedestrian links in the commercial area located along the eastern edge of the Silver Spring Central Business District and is an extension of the streetscape program that is being implemented in the area.

**Long Branch Pedestrian Linkages \$870,000**

This project provides pedestrian links in the Long Branch community that will connect the high-density residential areas with the Village Center. Significantly, a new connector trail and bridge will be constructed through the Long Branch Stream Valley Park to stabilize, protect, and enhance existing streamside areas and preserve the natural character of the stream valley while improving pedestrian and bike circulation.

**Focused Neighborhood Assistance \$470,000**

This project provides for focused neighborhood assistance in selected neighborhoods with a primary focus on residential areas. Project elements will comprehensively address community needs for neighborhood preservation and enhancement. Resources are currently focused in two neighborhoods, one in mid-county (Wheaton/Glenmont) and one in Upcounty (Germantown/Gunner's Lake).

**Facility Planning \$50,000**

The fund will be used to conduct preliminary planning and design studies for a variety of projects dispersed throughout the County for possible inclusion in a future capital budget.

**Contingency (Capital) \$100,000**

The fund will be used to cover an unanticipated design and construction related cost.

**PROJECTS ADMINISTERED BY COUNTY GOVERNMENT**

**Department of Housing and Community Affairs (DHCA) \$2,117,247**

**Project Analysis and Engineering \$130,000**

Funds will be used for project analysis and engineering costs associated with projects in revitalization areas.

**Group Home Acquisition and Rehabilitation** **\$300,000**

Funds will be used to provide loans to nonprofit organizations for the purchase and/or rehabilitation of properties for use as group homes.

**Housing Production and Preservation** **\$719,557**

Funds will be used for affordable housing activities. Eligible activities include loans to assist in the purchase of existing properties for use as housing affordable to low- and moderate-income residents and funds for housing rehabilitation to enable low and moderate income owners of single-family homes and owners of multi-family properties occupied by low- and moderate-income tenants to eliminate code violations and make other necessary improvements, including accessibility and energy conservation improvements.

**Façade, Sign and Canopy Program** **\$160,000**

Funds will be used to improve commercial building facades through loans to owners of older commercial properties in areas targeted for revitalization.

**Code Enforcement** **\$547,690**

Funds will be used to partially cover costs incurred for code enforcement efforts in low-and moderate income areas in conjunction with other public or private improvements and services.

**Contingency (Operating)** **\$80,000**

The fund will be available for operating expenditures to allow for emergency community development needs and funding non-public service out-of-cycle requests.

**Comprehensive Neighborhood Assistance** **\$180,000**

Funds will be used to address community needs in neighborhoods not receiving focused neighborhood assistance and may also be used for eligible services in focused neighborhoods to complement capital improvement efforts.

**Administration (capped)** **\$1,030,585**

This will fund DHCA's staff in planning, administration and monitoring of the CDBG program, including preparation of the Consolidated Plan, staff support for a citizens' advisory committee, environmental reviews, preparation of contracts, payment processing and auditing, federal reporting and loan servicing.

**NONPROFIT PROVIDERS** **\$593,080**

**A Wider Circle** **\$41,900**

**"Neighbor-to-Neighbor"**

A total of \$41,900 in second year funding to be used to collect donations of furniture and basic home goods and distribute these items to needy families in Montgomery County. The Countywide program will benefit an estimated 5,000 people.

**Artpreneurs, Inc., dba Arts on the Block** \$26,030

**“Quebec Terrace – Crime Prevention”**

A total of \$26,030 in first year funding to be used to support a plan to develop and implement improvements to the Quebec Terrace community using best practices of integrated public and community art and crime prevention through environmental design. The Countywide program will benefit an estimated 100 people.

**Boat People SOS** \$29,800

**“Educational and Recreational Activities for Youth”**

A total of \$29,800 in second year funding will be used to support a youth enrichment program to improve the quality of life for 35 youth and their parents. Targeted youth will come from low income households where parents struggle with culture, language, and resources to help their children achieve academic and social success. The Countywide program will benefit an estimated 50 people.

**College Tracks, Inc.** \$33,500

**“College Tracks Program at Wheaton High School”**

A total of \$33,500 in second year funding will be used to cover a portion of the salary for the Program Director at the College Tracks Program operating at Wheaton High School. An estimated 300 people will benefit.

**Community Bridges, Inc.** \$26,500

**“LUNA (Luchando Unidas con Nuestras Amigas)”**

A total of \$26,500 in first year funding to be used to support the LUNA program at 5 middle schools in the Silver Spring area. LUNA focuses on assisting immigrant girls successfully transition into their new communities, celebrate their unique identity, preserve their cultural traditions, and embrace their bilingualism. An estimated 65 people will benefit.

**Eastern Montgomery Emergency Assistance Network** \$23,700

**“Networking Rx Assistance in Eastern Montgomery County”**

A total of \$23,700 in second year funding will be used to provide prescription medication to eligible low-income individuals who lack insurance coverage in Eastern Montgomery County. An estimated 90 households will benefit.

**GapBuster Learning Center** \$41,900

**“Cross-Tutorial Mentoring Program”**

A total of \$41,900 in third year funding will be used to purchase supplies and educational material for each student, pay staff, provide incentives, and other operating costs associated with providing the Cross-Tutorial Mentoring Program. The Countywide program will benefit an estimated 45 people.

**Housing Initiative partnership, Inc.** \$39,050

**“Foreclosure Intervention Program”**

A total of \$39,050 in first year funding will be used to provide organizational support and to hire a bilingual intake specialist to handle phone calls, greet walk-ins, coordinate workshops, schedule appointments and perform data entry. An estimated 1,000 people will benefit.

**IMPACT Silver Spring** **\$33,500**  
**“Economic Empowerment Initiative”**

A total of \$33,500 in first year funding will be used to provide workforce skills in education, employment support, financial education and asset development. The program will benefit an estimated 200 people.

**Interfaith Works. Inc.** **\$41,900**  
**“Project LEAD”**

A total of \$41,900 in first year funding will be used to provide supported employment services at Interfaith Works’ Clothing Centers to low-wage earners, moving them through a structured process of assessment, job readiness and training, job placement, and continuing support. The Countywide program will benefit an estimated 60 people.

**Liberty’s Promise, Inc.** **\$21,000**  
**“Enriching the Immigrant Youth of Wheaton/Glenmont”**

A total of \$21,000 will be used to support civic education and professional internship programs for low-income immigrant youth living in the designated mid-County focused neighborhood assistance area. The program will benefit an estimated 50 people.

**Manna Food Center, Inc.** **\$41,900**  
**“Smart Sacks”**

A total of \$41,900 in funding to expand the Smart Sacks program, with \$5,000 provided through the City of Rockville to assist city residents and \$40,000 provided as second year funding by the county to assist residents county-wide. Smart Sacks provides a backpack of kid-friendly nutritious food every Friday to elementary school students who do not have food to eat on the weekends. The program will benefit an estimated 1,300 people

**Montgomery County Coalition for the Homeless** **\$28,100**  
**“Creative Housing Initiative pilot Project (CHIPP)”**

A total of \$28,100 in first year funding will be used to support a case manager position for the CHIPP permanent supportive housing program. The Countywide program will benefit an estimated 16 people.

**Spanish Catholic Center, Inc.** **\$27,400**  
**“English for Speakers of Other Languages Program (ESOL)”**

A total of \$27,400 in second year funding will be used to provide ESOL services for low-income, limited English proficient residents of Montgomery County in the Germantown area. The program will benefit an estimated 75 people.

**The Mental Health Association of Montgomery County, Inc.** **\$33,500**  
**“Kensington/Wheaton Youth Services”**

A total of \$33,500 in first year funding will be used to provide a 12-month youth development and family support program for low-income youth with emotional and behavioral problems. The program will benefit an estimated 50 people.

**The Shepherd's Table, Inc.** \$21,000  
"Shepherd's Table Eye Clinic"

A total of \$21,000 in third year funding will be used to serve individuals who do not have eye care insurance and are in need of eye exams and eye glasses. The funds will support staff salaries and operating expenses. The Countywide program will benefit an estimated 475 people.

**Washington Youth Foundation** \$40,500  
"Professional Youth Initiative Program"

A total of \$40,500 in second year funding will be used to support staff salaries and program operating costs. The Countywide program will benefit an estimated 370 people.

**YMCA of Metropolitan Washington, Youth & Family Services** \$41,900  
"Northwest Park Community Center"

A total of \$41,900 in third year funding will be used to provide essential operating support for the Northwest Park Community Center located within the Northwest Park apartment complex in Silver Spring. The program will benefit an estimated 120 people.

**PROJECTS ADMINISTERED BY MUNICIPALITIES** **\$432,000**

**CITY OF TAKOMA PARK** **\$138,000**

**Crossroads Farmers Market** \$25,000  
"Opportunity and Community in the Crossroads"

Bi-lingual marketing and educational initiative designed to improve access to fresh and locally grown foods, increase awareness of the nutritional benefits of fresh food, and to promote use of WIC and food stamps. An estimated total of 415 low and moderate income persons will benefit by the project.

**City of Takoma Park** \$113,000  
"Affordable Housing Initiative"

Funds will be used for affordable housing activities. Eligible activities include loans to assist in the purchase of existing properties for use as housing affordable to low- and moderate-income residents and funds for housing rehabilitation to enable low and moderate income owners of single-family homes and owners of multi-family properties occupied by low- and moderate-income tenants to eliminate code violations and make other necessary improvements, including accessibility and energy conservation improvements. A total of 25 households are expected to benefit.

**CITY OF ROCKVILLE** **\$294,000**

**Community Ministries of Rockville** \$16,000  
"Latino Outreach Program"

Funds will be used to provide basic English classes, workplace instruction and assistance to become U.S. citizens for foreign born community members in Rockville. This service will assist approximately 150 individuals.

**Community Ministries of Rockville** \$12,500  
**“Elderly Ministries Program”**

Funds will provide funds to support administrative expenses associated with providing case management to senior citizens and frail elderly residents of the City of Rockville. This service will assist approximately 50 individuals.

**Korean Community Service Center of Greater Washington, Inc.** \$5,000  
**“Rockville Outreach and Services”**

Funds will cover administrative expenses associated with providing case management, information and referral services, housing assistance and citizenship preparation and assistance to residents of the City of Rockville. This service will assist approximately 64 individuals.

**Rockville Housing Enterprises** \$70,000

Funds will be used by Rockville Housing Enterprises for improvements to 29 single family scattered site units throughout the City. These improvements will benefit 29 families.

**Single-Family Rehabilitation** \$178,000

The project will be used to provide low-interest loans and grants to income eligible homeowners who need financial assistance in eliminating major code violations. An estimated 15 families will benefit.

**Stepping Stones Shelter** \$12,500  
**“Central Air Conditioning”**

The funds will be used to install a central air conditioning system at the shelter for adults and children. This shelter facility will assist approximately 200 households.

#### **SUMMARY OF EXPECTED BENEFIT FROM CDBG PROJECTS**

**Persons 9,955**

**Households 359**

### **HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) July 1, 2010 - June 30, 2011**

**HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)** **\$2,991,884**

The HOME grant is designed to increase housing choices for low-income households through rental and home ownership programs, in cooperation with public, private and nonprofit organizations. During the coming year, it is anticipated that the County will receive \$2,491,884 in funding for HOME projects, and together with anticipated program income of \$500,000, an estimated total of \$2,991,884 in HOME funds will be available. Funds will generally be made available in the form of low-interest loans and other subsidies, and units assisted may be both rental and owner-occupied.

## **PROJECTS ADMINISTERED BY COUNTY GOVERNMENT**

### **Department of Housing and Community Affairs (DHCA)**

#### **Housing Production and Preservation**

**\$1,394,913**

Funds will be used to create home ownership opportunities, new rental housing, or to rehabilitate existing housing (both rental and single-family homes). This housing will principally serve low-income households. DHCA will work with the private sector, non-profits and the Montgomery County Housing Opportunities Commission (HOC) in implementing this program. Additionally, if the opportunity is available, HOME funds will be used for group homes to serve special populations and for specialized housing programs. All agreements executed involving HOME funds will comply fully with all HOME regulations, including setting forth resale or recapture requirements in the case of homeownership projects.

#### **Community Housing Development Organizations (CHDOs)**

**\$373,783**

##### **Housing Production**

The project will fund the housing development activities of CHDOs. This represents the federally mandated fifteen percent of the HOME allocation. Up to 10 percent of this total (\$37,378) may be used for project-specific technical assistance, site control, and seed money loans. It is anticipated that one to three organizations will use these funds for acquisition, construction, or renovation of rental housing for persons with low-incomes.

## **PROJECTS ADMINISTERED BY NONPROFITS AND OTHER PUBLIC AGENCIES**

#### **CHDO Operating Assistance**

**\$112,000**

Funds will be used to partially cover the administrative costs of qualified CHDOs: Montgomery Housing Partnership (MHP) and Housing Unlimited. MHP will receive \$84,000 and Housing Unlimited will receive \$28,000. By regulation, only CHDOs using HOME funds to own, sponsor, or develop affordable housing are eligible for operating support. This operating support cannot exceed 50 percent of a CHDO's operating budget in any fiscal year or \$50,000 annually, whichever is greater.

#### **Rental Assistance – Housing Opportunities Commission**

**\$112,000**

Up to a total of \$112,000 will fund rental assistance in partnership with the Housing Opportunities Commission (HOC). HOC administers the State of Maryland's Rental Allowance Program in the county, and HOME funds will leverage this state funding source to assist households who are homeless or at-risk of becoming homeless. HOC will administer these funds.

#### **Rental Assistance – Montgomery County Coalition for the Homeless**

**\$750,000**

Up to a total of \$750,000 will fund rental assistance in partnership with the Montgomery County Coalition for the Homeless, (MCCH), in support of the county's "Housing First Program." MCCH will administer these funds.

#### **Fair Housing Activities**

**\$37,000**

Funds will be used for activities that serve to affirmatively further fair housing choice. Activities may include sales, rental and lending testing, education/outreach, training and research. Activities will be administered by the Office of Human Rights.

**ADMINISTRATION****\$212,188**

The fund will be used to cover the county's expenses associated with operating the HOME Program. Combined administrative expenses represent 10% of the entitlement amount.

**SUMMARY OF EXPECTED BENEFIT FROM HOME PROJECTS**

<b>Persons</b>	<b>130</b>
<b>Households</b>	<b>100</b>
<b>Units</b>	<b>400</b>
<b>CHDO's</b>	<b>2</b>

**Emergency Shelter Grant (ESG)  
July 1, 2010 - June 30, 2011**

**EMERGENCY SHELTER GRANT (ESG)****\$224,839**

The ESG Program enables the county to provide housing and other services to persons who are homeless or in danger of becoming homeless. Although smaller than the CDBG or HOME programs, the ESG program serves an essential role in providing services to some of our most needy. The County expects to receive \$224,839 in the coming year for ESG projects.

**NONPROFIT PROVIDERS****Bethesda Cares, Inc.****\$30,000****“Mental Health Services for the Homeless”**

A total of \$30,000 will provide medication and emergency prescription assistance to untreated mentally ill homeless individuals. An estimated 130 people will benefit.

**Rockville Presbyterian Church****\$15,000****“Rainbow Place”**

A total of \$15,000 will assist in supporting the staff cost for a part-time, seasonal Case Manager to provide services to homeless women. Of the \$15,000, \$5,000 is allocated through the City of Rockville and \$10,000 through the county. A total of 75 people will benefit.

**PROJECTS ADMINISTERED BY DHCA****Shelter Renovation/Maintenance****\$101,148**

Funds will be used to renovate and/or maintain shelters serving the homeless in Montgomery County. An estimated 150 people will benefit.



**Homeless Prevention Assistance****\$67,450**

Funds will be used to provide homeless prevention assistance, including payments for rent and utility arrearages necessary to prevent eviction, as well as security deposits or first month's rent to enable persons who are homeless or at-risk of homelessness to secure housing. An estimated 80 people will benefit.

**ADMINISTRATION****\$11,241**

The fund will be used to partially cover the county's expenses associated with operating the ESG Program. Administrative expenses represent 5.0% of the entitlement amount

**SUMMARY OF EXPECTED BENEFIT FROM ESG PROJECTS****Persons****435**

## **Section 1**

### **Housing and Homeless Needs Assessment (91.205)**

The following is taken from Report and Recommendations of Montgomery County's Affordable Housing Task Force dated March 2008:

Many of the reasons for the housing crisis that we now find in Montgomery County can be traced back to the successes for which Montgomery County, Maryland is known. County Executive Isiah Leggett has said that "As our County expands and grows, so too do the problems and challenges associated with the growth." He has emphasized that affordable, safe, and decent housing, must be a right, and not a privilege for those who now live in Montgomery County and for those who work in the County, but who cannot afford to live in the community that they serve.

The term, "affordable" has been used in many different ways. We believe it encompasses the housing needs of people below the poverty level as well as those who fall within the ranges of low and middle income wage earners within our community. Creating new and preserving existing affordable housing within Montgomery County is critical and must be addressed now. The issue is multilayered and requires widespread community cooperation supported by partnerships that include the private and non-profit sectors as well as government. We consider "affordability" to be no more than 2.5 times the household income for the purchase price of a primary residence for homeownership and no more than 30% of monthly household income for rent. Here in Montgomery County, with a household median income of \$98,800, for a family of four, the disparity between income and housing costs (in both ownership and rentals) complicates our approach in addressing the housing crisis in which we find ourselves.

Consider the following facts:

- On any given night an average of 1,100 persons are homeless in Montgomery County. (1)
- The number of households on the Housing Choice Voucher (formerly Section 8) waiting list is 14,967. (2)
- The number of households on the Housing Opportunities Commission, (HOC) waiting list for public housing is 5,280. (2)
- Most rental vacancies are located far from mass transit hubs. (3)
- Nurses, firefighters, police officers, teachers and service industry employees along with people in mid-level management are among those who serve our community but can not afford to live in it. (3)
- A fast growing percentage of workers in Montgomery County continue to live out side of the County. For example, according to a 2005 firefighter study, fewer than 24% of the Montgomery County career firefighters live in the county that they protect. (4)

- In 2006, a family with two adults, one pre-school child and one school-age child required \$67,042.00 to rent a two bedroom apartment. This translates into a required full-time hourly salary of \$15.87 per adult. (5)
- In 2006, a single parent family with one pre-school age child and one school-age child, required \$61,438.00 to rent a two bedroom apartment or a full-time hourly salary of \$29.09 per adult. (5)
- Area incomes have risen by roughly 3% while home prices have risen over 20%. (3)
- The average purchase price of: (3)
  - an existing single family home in 2006 was \$552,500
  - an existing single family home in 2007, was \$569,000
  - a new single family home in 2006 was \$881,600
  - a new single family home in 2007 was \$978,375
  - an existing town home in 2006 was \$356,750
  - an existing town home in 2007 was \$365,000
  - a new town home in 2006 was \$518,510
  - a new town home in 2007 was \$475,757
  - an existing condominium in 2006 was \$313,496
  - a new condominium in 2006 was \$373,848
- The average monthly rental rate of: (6)
  - a one bedroom apartment in 2007 was \$1151
  - a two bedroom apartment in 2007 was \$1333
  - a three bedroom apartment in 2007 was \$1646

Clearly, the facts speak for themselves. Even now as the County, State and the Nation, confront the emerging and evolving threats presented by increasing property foreclosures and instances of fraud and negligent mortgage lending, the housing affordability crisis in the County continues to be dire. As our County population expands, so do the justifiable demands for adequate housing and accompanying services. Unless we take swift and focused action now, we will find ourselves beyond crisis, and in a state of existence that runs counter to everything for which Montgomery County stands. We must address this problem and identify creative solutions to combat and put to final rest the notion that this is an insurmountable task. A very real “turn around” is possible. Immediate, serious planning and action are necessary.

Data Sources: 1) Montgomery County Coalition for the Homeless. 2) Montgomery County Housing Opportunities Commission (HOC). 3) Maryland National Capital Park and Planning Commission. 4) Montgomery County Career Firefighters Association, Inc. 5) Montgomery County Department of Health and Human Services. 6) Montgomery County Department of Housing and Community Affairs.

## **Housing and Market Analysis (91.210)**

Montgomery County was an agricultural area and a bedroom community of Washington DC for the first half of the 20<sup>th</sup> century. Housing development during the 1950s and 1960s was predominantly small-lot single-family detached homes reaching out from the DC border. However, recent decades have seen job creation, in the high-tech and bio-tech industries especially in the last decade, outpaced the growth in the resident labor force. Housing development since 1970 has been more than fifty percent multi-family and single-family attached. And through it all, the county's desirability and high quality of living have placed pressure on housing prices, as the more affluent in the region have bid up prices in virtually all segments of the market. In fact, of the more than three thousand counties in the US, Montgomery County ranked 15th for 2007 per capita personal income (\$67,525). And with large, open tracts of land available for development now a thing of the past, reversing the pressure on prices and ensuring a supply of housing at a range of prices to meet the demand of residents and would-be residents is as challenging as ever.

The recent recession has certainly brought changes to the Montgomery housing market. Most housing measures peaked around 2006-2007 at the height of the housing bubble - prices were high, time-on-market low, vacancies low, units in the production pipeline high, and so on. All of these indicators reversed course around 2007. For example, median sales prices dropped from 2007 to 2008, the most for existing single-family attached homes (-11.4%) to the least for new single-family attached homes (-5.6%). In the period from 2003-2005, it took less than 40 days on average to sell an existing home and by 2007 it took around 100 days. The Metro DC market pipeline of new housing units had jumped from 18,000 in 2005 to a high of nearly 37,000 in December of 2007. The pipeline has since cooled and had returned to its 2005 levels by the fall of 2009.

More than 10,000 people in Montgomery County lost their jobs between 2008 and 2009 (average monthly employment for 2008 compared with the first ten months of 2009). This has brought the unemployment rate up from 3.2% to 5.2%. And while Montgomery County can still be characterized as affluent, people with incomes below the federal poverty level increased from 4.6 % in 2006 to 5.9% in 2009. The most vulnerable among us have long represented the highest priority for housing assistance and the ranks of the vulnerable appear to have grown.

More information on efforts to increase the stock of affordable housing can be found in the Five-year Plan section of this document and on the Department of Housing and Community Affairs website here: <http://www.montgomerycountymd.gov/apps/dhca/index.asp>

### ***Public and Assisted Housing***

There are two independent public housing authorities in Montgomery County where this Consolidated Plan is in effect – the Housing Opportunities Commission (HOC) and Rockville Housing Enterprises (RHE). Together they own and operate 1,662 public housing units, with HOC having 1,557 and RHE 105. HOC also controls 5,838 Housing Choice Vouchers while RHE administers 414 units in its Housing Choice Voucher program. As an indication of housing need for low-income residents, HOC's Voucher waiting list has grown by nearly two thousand in the past two years to reach 16,800 in January 2010. More information on HOC and RHE can be found at their websites: HOC - <http://www.hocmc.org/> and RHE - <http://www.rockvillehe.org/index.html>.

In terms of the 504 needs assessment HOC continues to expand the number of accessible units in the portfolio. It is in the process of modifying units to full accessibility.

HOC has identified the following strategies for improving operations and living conditions for public housing residents:

Strategies:

Implement measures to de-concentrate poverty by bringing higher income public housing households into lower income developments.

Implement public housing security improvements.

Designate developments or buildings for particular resident groups (elderly, persons with disabilities).

Undertake affirmative measures to ensure access to assisted housing regardless of race, color, religion national origin, sex, familial status, and disability.

Undertake affirmative measures to provide a suitable living environment for families living in assisted housing, regardless of race, color, religion national origin, sex, familial status, and disability.

Undertake affirmative measures to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required.

Develop and maintain effective relationships with providers of assistance and support to children and adult victims of domestic violence, dating violence, sexual assault, or stalking.

With regard to assisted units, both public housing and other, none are expected to be lost from the assisted housing inventory.

### ***Areas of Ethnic Concentration***

As revealed in the last decennial census, as well as the Montgomery County Census Update Survey (CUS) 2003, blacks and Hispanics (all races) have significantly lower median household incomes than do non-Hispanics whites, Asians, or the County overall. According to the CUS 2003, nearly a third of Hispanic homeowners spent more than 25 percent of their income on housing. That year, nearly half of all rental households spent more than 25 percent of their income on housing costs, with nearly two-thirds of Hispanic households spending more than 25% of their income on housing costs.

Figure 6

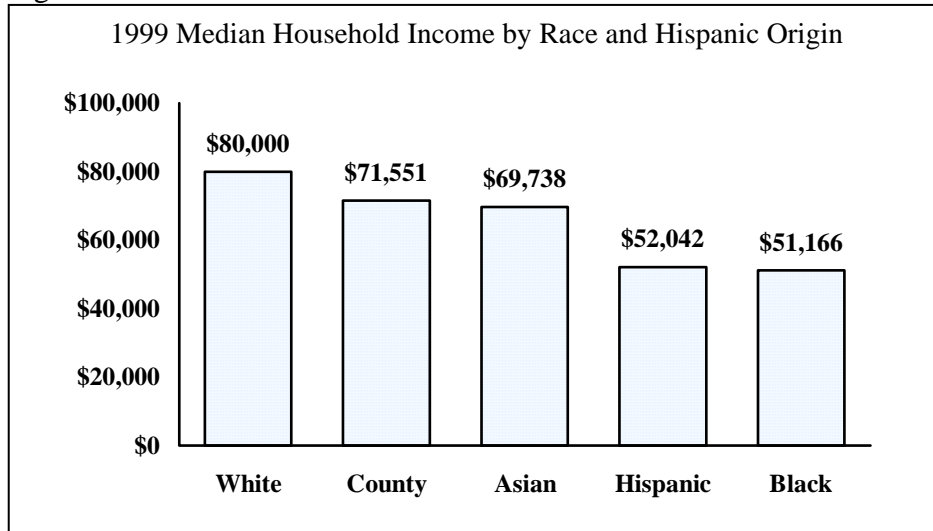
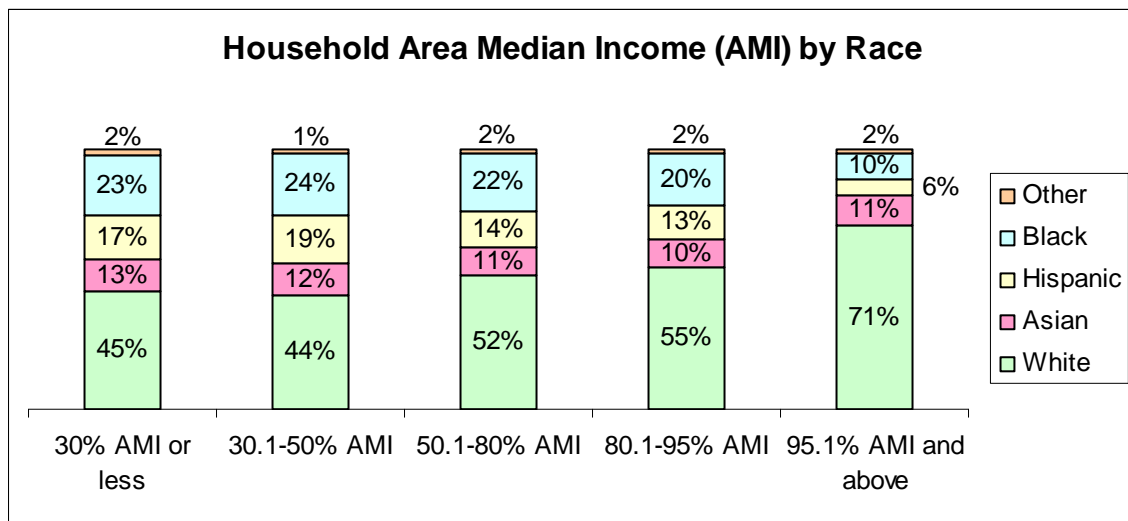


Figure 7



Source: 2009 Comprehensive Housing Affordability Strategy (CHAS) data from the Department of Housing and Urban Development

Table 2: Cost Burden for Households by Race and Tenure

Tenure	Race	Cost Burden		
		All Households	Moderate	Severe
Owner	NH White	68.6%	58.8%	49.0%
	NH Black	10.0%	13.8%	13.7%
	NH Asian	11.6%	14.7%	13.5%
	NH Other	1.4%	1.2%	2.5%
	Hispanic	8.4%	11.5%	21.4%
	All	100.0%	100.0%	100.0%
Renter	NH White	44.9%	41.8%	43.1%
	NH Black	28.7%	30.2%	29.9%
	NH Asian	10.7%	10.8%	9.9%
	NH Other	2.3%	2.2%	1.8%
	Hispanic	13.3%	15.0%	15.3%
	All	100.0%	100.0%	100.0%

Source: Department of Housing and Urban Development,  
2009 Comprehensive Housing Affordability Strategy (CHAS)

Table 3: Montgomery County Population by Race &amp; Hispanic Origin

RACE	2000		2008 ACS		2000 to 2008	
	Number	% of Total	Number	% of Total	Change	% Change
<b>Total population</b>	<b>873,341</b>	<b>100.0%</b>	<b>950,680</b>	<b>100.0%</b>	<b>77,339</b>	<b>8.9%</b>
<i>One race</i>	<i>843,224</i>	<i>96.6%</i>	<i>923,405</i>	<i>97.1%</i>	<i>80,181</i>	<i>9.5%</i>
White	565,719	64.8%	582,227	61.2%	16,508	2.9%
Black or African American	132,256	15.1%	152,782	16.1%	20,526	15.5%
American Indian and Alaska Native	2,544	0.3%	3,197	0.3%	653	25.7%
Asian & Pacific Islander	99,063	11.3%	127,359	13.4%	28,296	28.6%
Some other race	43,642	5.0%	57,840	6.1%	14,198	32.5%
<i>Two or more races</i>	<i>30,117</i>	<i>3.4%</i>	<i>27,275</i>	<i>2.9%</i>	<i>-2,842</i>	<i>-9.4%</i>
<b>Hispanic or Latino (of any race)</b>	<b>100,604</b>	<b>11.5%</b>	<b>140,657</b>	<b>14.8%</b>	<b>40,053</b>	<b>39.8%</b>
Mexican	8,917	1.0%	14,466	1.5%	5,549	62.2%
Puerto Rican	5,319	0.6%	8,307	0.9%	2,988	56.2%
Cuban	2,739	0.3%	3,228	0.3%	489	17.9%
Other Hispanic or Latino	83,629	9.6%	114,656	12.1%	31,027	37.1%
<b>Not Hispanic or Latino</b>	<b>772,737</b>	<b>88.5%</b>	<b>810,023</b>	<b>85.2%</b>	<b>37,286</b>	<b>4.8%</b>
White	519,318	59.5%	507,531	53.4%	-11,787	-2.3%
Black or African American	129,371	14.8%	147,748	15.5%	18,377	14.2%
Am. Indian and Alaska Native	1,756	0.2%	2,121	0.2%	365	20.8%
Asian & Pacific Islander	98,281	11.3%	127,359	13.4%	29,078	29.6%
Some other race	2,630	0.3%	5,484	0.6%	2,854	108.5%
Two or more races:	21,030	0.3%	20,059	2.1%	-971	-4.6%

Sources: 2008 American Community Survey & 2000 Census; table compiled by Research & Technology Center, Montgomery County Planning Dept., M-NCPPC (10/09).

## *Housing Demand & Supply*

Demand for housing comes from Montgomery County's desirability as a place to live as well as from strong employment growth within the county and within the region. In the 2000s, Montgomery County's population grew by more than one percent per year and is estimated to be 957,200 for January, 2009. Contributing to the rise in population has been a high birth rate and foreign immigration. Between 2000 and 2008 the county gained 65,000 residents from a natural increase in population (i.e., births minus deaths). Over the same period, foreign immigration to Montgomery County accounted for nearly 67,000 new residents or about 86% of net migration.

Population data (based on Census 2000 and the US Census Bureau's 2008 American Community Survey) shows that the non-white population grew at a faster rate than the white population in the last several years (see Table 3). For example, the share of population of non-Hispanic whites dropped from 59.5% in 2000 to 53.4% in 2008. The trend toward increased diversity is expected to continue and is resulting in an increased need for outreach and services to minority populations, many of which do not have English as their native language. The maps below show the distribution of African-Americans, Asians, Hispanics, and whites, and also population density, in Montgomery County based on Census 2000 data.

Figure 8

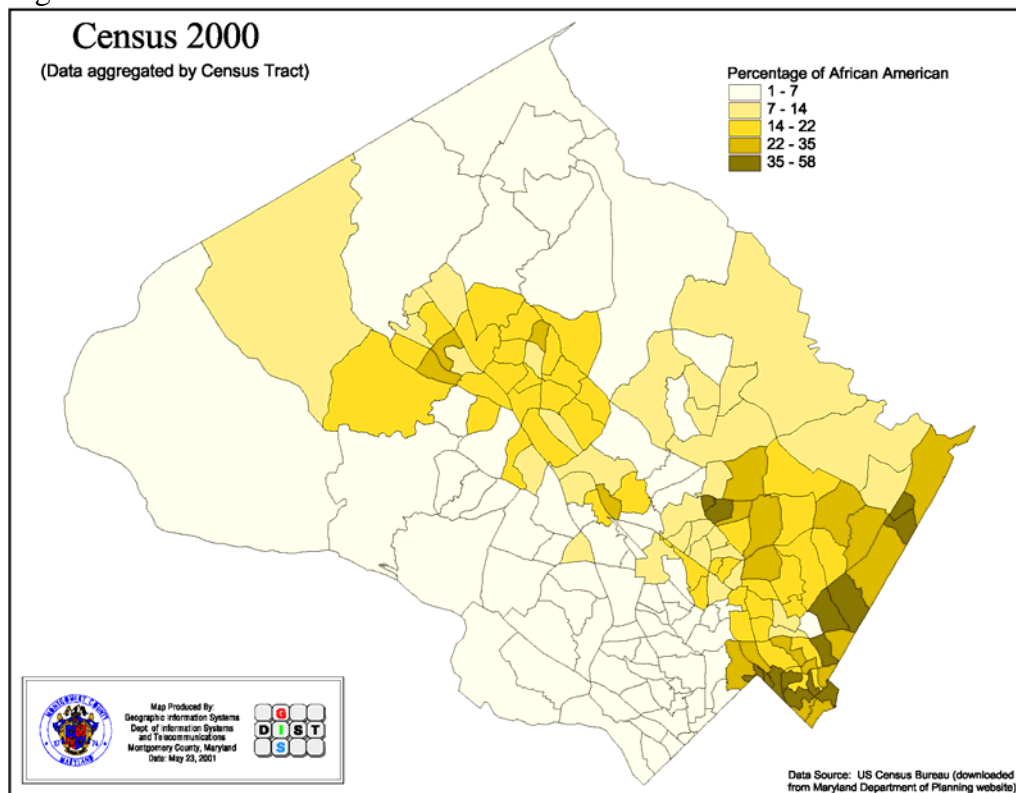




Figure 9

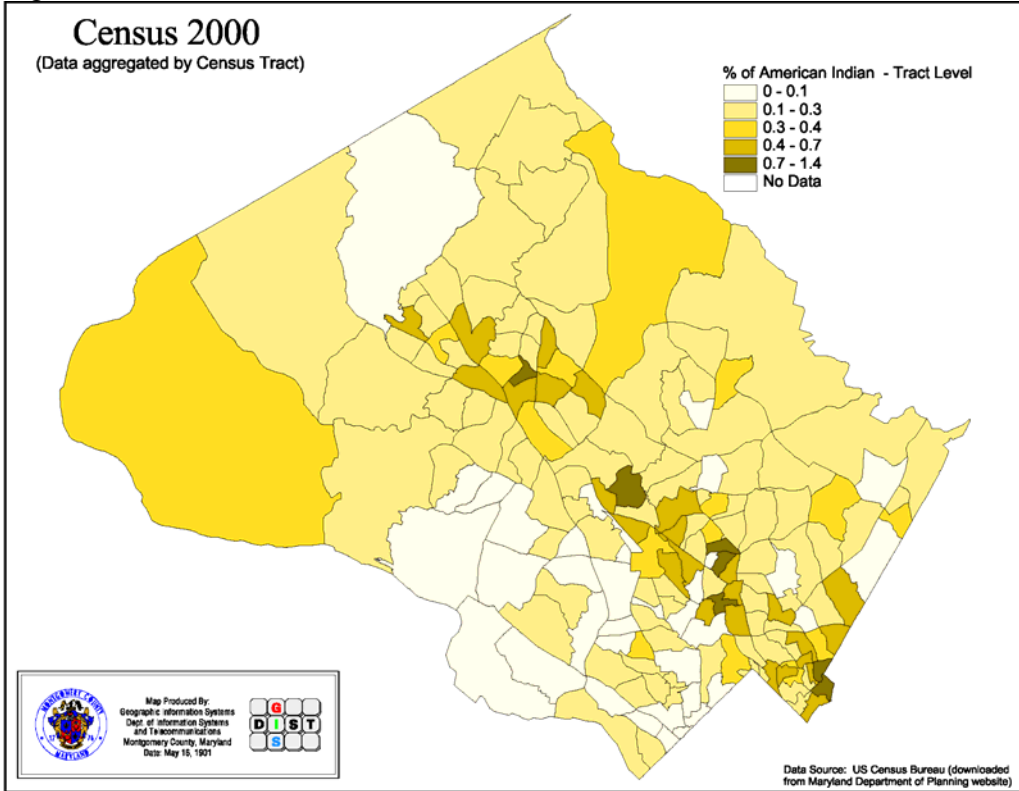


Figure 10

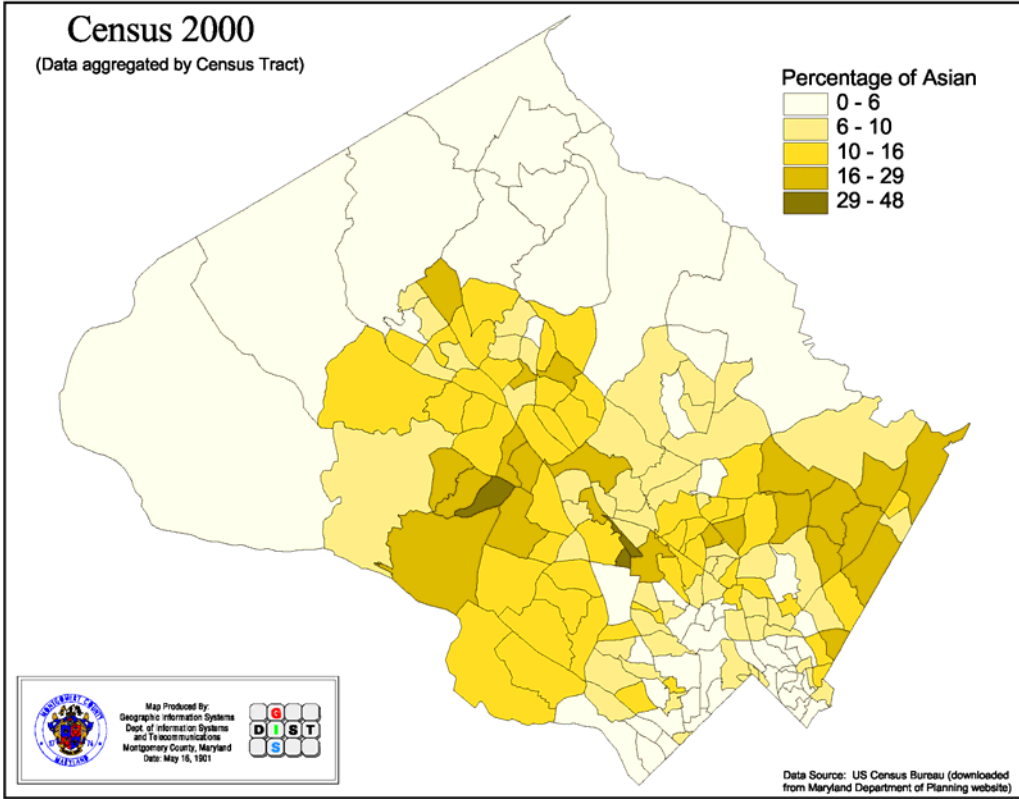


Figure 11

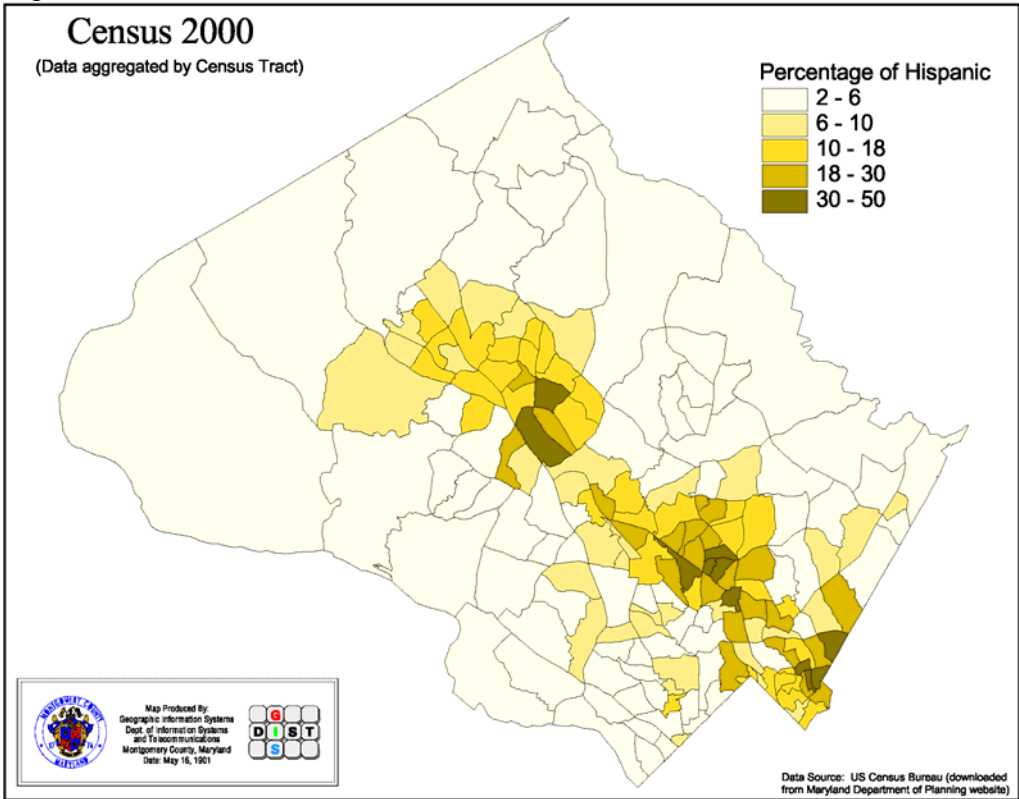


Figure 12

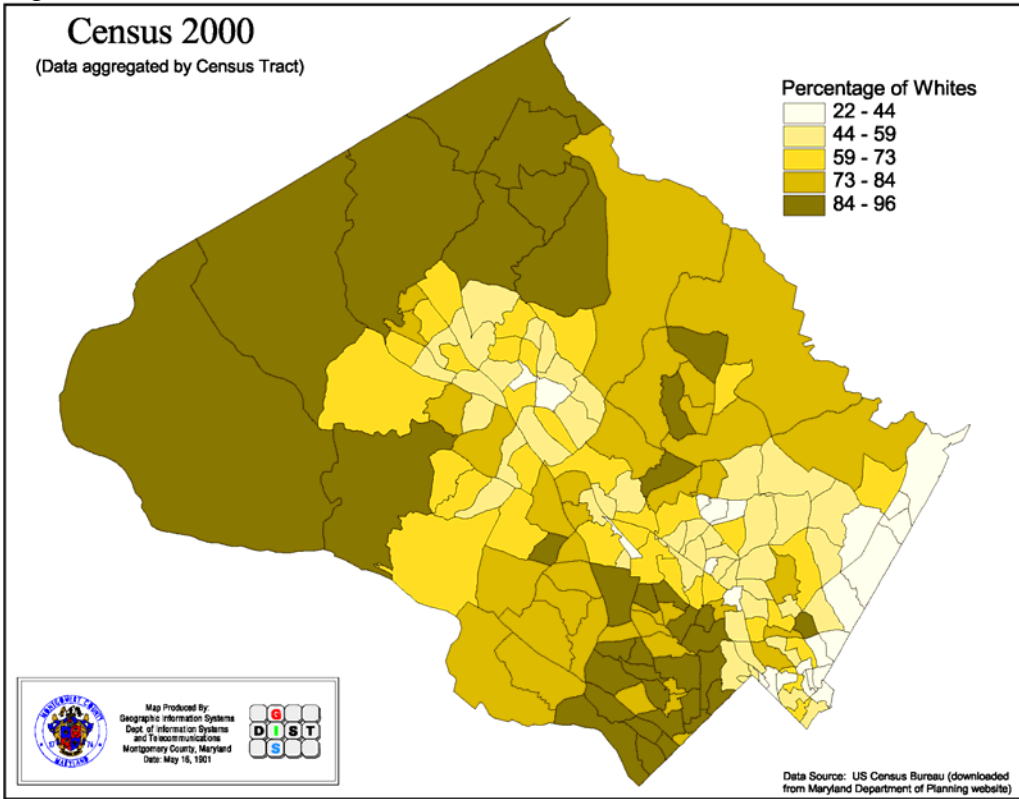
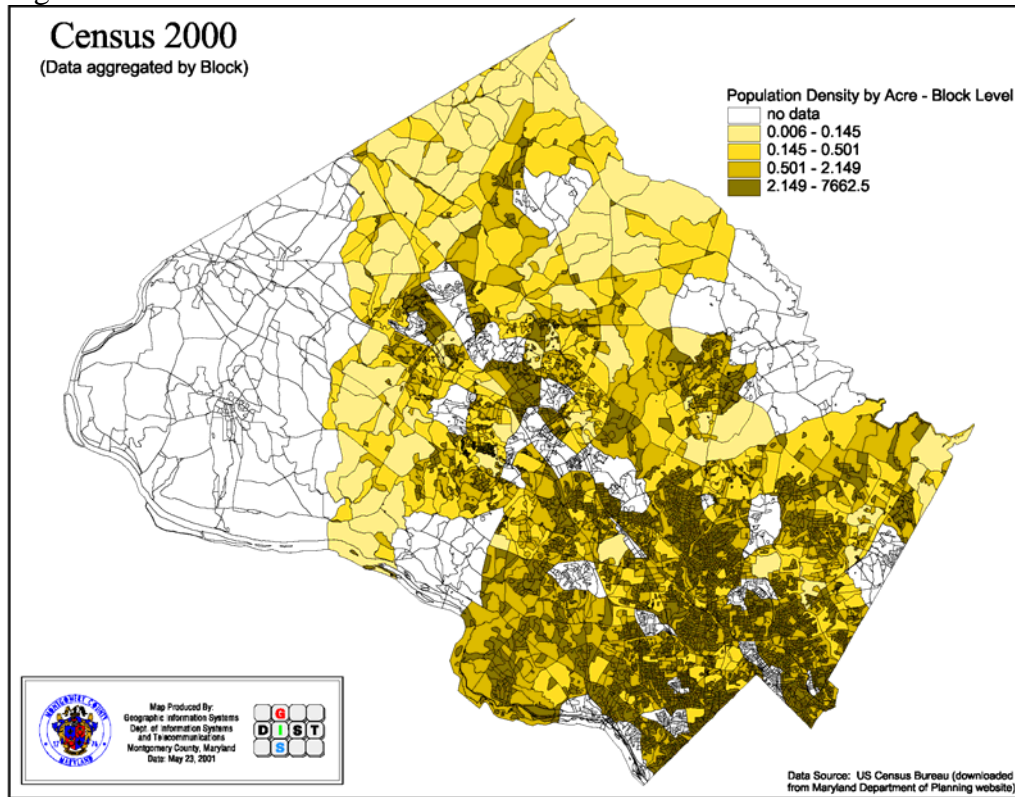
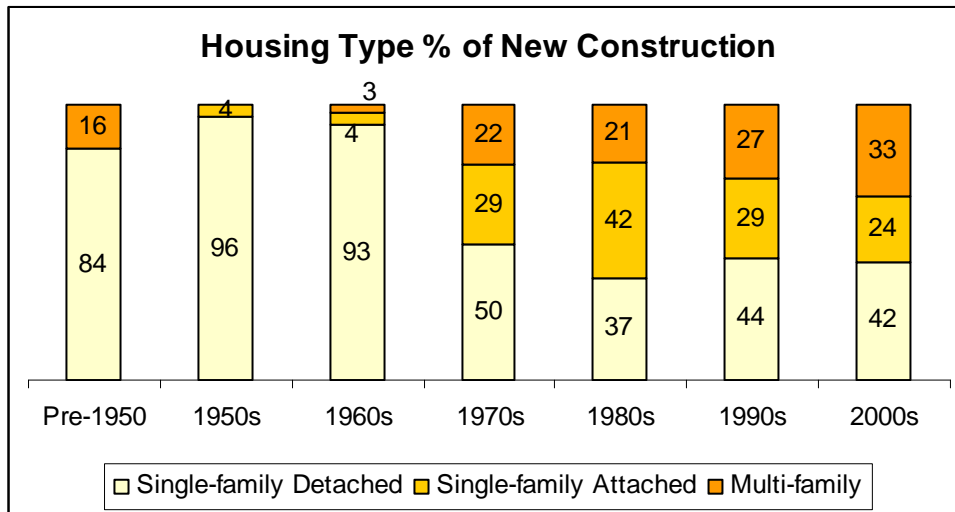


Figure 13



The housing stock has been changing in composition over time from predominantly single-family detached to a mix of detached, attached, and multi-family. Future growth is expected to continue this shift toward more attached and multi-family style development.

Figure 14



Source: Maryland Department of Assessments and Taxation

Median for-sale home prices have generally increased over time faster than general inflation and faster than real incomes, causing affordability challenges for households with a wide range of incomes. From 2000 to 2007 the median sales price for single-family homes increased 128 percent while median household income increased by just 27 percent (see Table 4). Low interest rates and easy credit availability fed the dramatic increase in prices through 2006. Prices have weakened, but are still at elevated levels (see Figure 15). The continued affordability problem can be seen in the Comprehensive Housing Affordability Strategy (CHAS) data from the U.S. Census Bureau's 2009 American Community Survey (ACS), showing that just over one third of households were either severely or moderately "cost burdened" by housing in 2009 (see Table 5).

Table 4

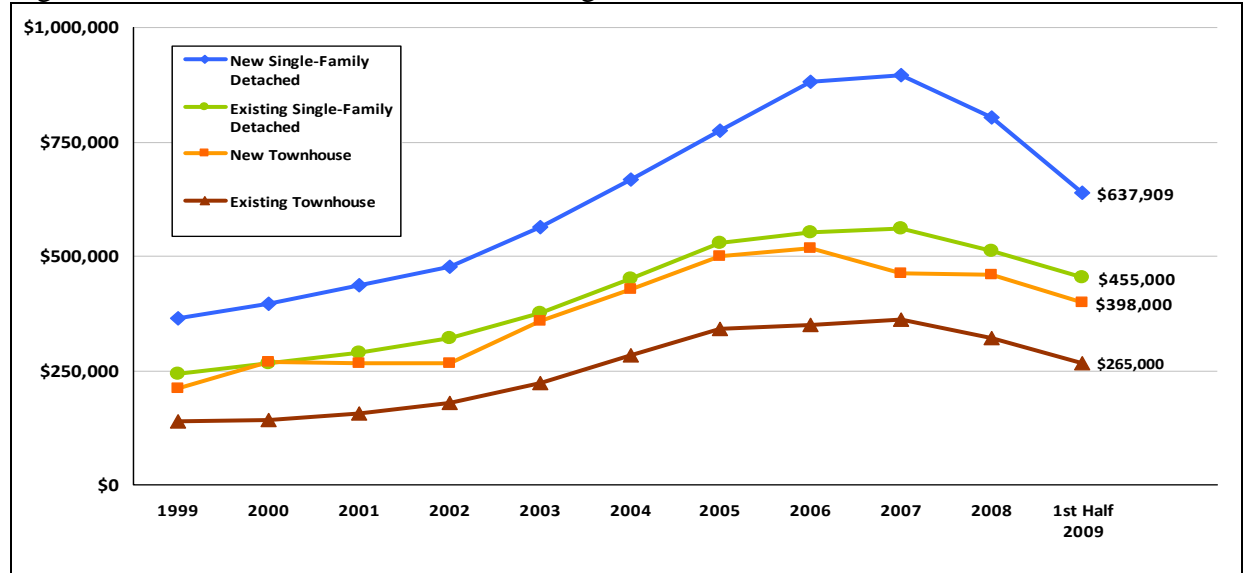
<b>MEDIAN HOME SALES PRICE (2000 to 2007)</b>							
<b>YEAR</b>	<b>ALL HOMES <i>new+existing</i></b>	<b>DETACHED HOMES <i>new</i></b>	<b>DETACHED HOMES <i>existing</i></b>	<b>ATTACHED / TOWNHOUSES <i>new</i></b>	<b>ATTACHED / TOWNHOUSES <i>existing</i></b>	<b>MEDIAN HOUSEHOLD INCOME</b>	<b>INFLATION RATE*</b>
2000	<b>\$217,500</b>	\$390,670	\$262,950	\$262,384	\$142,725	\$74,930	3.3%
2001	<b>\$236,077</b>	\$436,458	\$289,000	\$265,380	\$155,500	\$76,713	2.6%
2002	<b>\$282,918</b>	\$481,286	\$340,000	\$277,978	\$185,000	\$78,647	2.3%
2003	<b>\$320,645</b>	\$590,760	\$383,000	\$367,200	\$229,000	\$80,962	2.8%
2004	<b>\$395,000</b>	\$666,540	\$450,000	\$427,501	\$283,500	\$83,880	2.8%
2005	<b>\$464,000</b>	\$764,678	\$530,000	\$499,298	\$340,000	\$87,765	4.0%
2006	<b>\$485,000</b>	\$881,600	\$552,500	\$518,510	\$356,750	\$91,663	3.7%
2007	<b>\$495,000</b>	\$896,917	\$560,000	\$464,482	\$360,000	\$95,494	3.5%
2000-2007 Change	127.6%	129.6%	113.0%	77.0%	152.2%	27.4%	
2000-2007 Annualized Rate of Change	12.5%	12.6%	11.4%	8.5%	14.1%	3.5%	
* Change in annual average Consumer Price Index (CPI) over prior year. Sources: M-NCPPC Research & Technology Center, <i>STAR System report</i> ; U.S. Bureau of Labor Statistics, <i>Consumer Price Index</i> .							

Table 5

<u>Cost Burdened Households</u>					
Tenure Status	Moderate	Severe	Total	Total as a Percent of All Households	All Households
Owner	43,875	25,460	69,335	28.8%	240,480
Renter	25,265	20,630	45,895	44.9%	102,140
Total	69,140	46,090	115,230	33.6%	342,620
Total as a Percent of All Households	20.2%	13.5%			
Moderate cost burden = housing cost greater than 30%, less than or equal to 50% of income Severe cost burden = housing cost greater than 50% of income					

Source: Department of Housing and Urban Development,  
2009 Comprehensive Housing Affordability Strategy (CHAS)

Figure 15 – Median Sales Prices, 1999 through June 2009



Source: Montgomery County Department of Planning

The Department of Housing and Community Affairs, Licensing and Registration Unit, annually conducts a survey of all multifamily rental facilities in Montgomery County with twelve or more rental units. The April 1, 2009 data represent 71,249 units as reported by 425 rental facilities, or 94% of units in multifamily rental properties which received a rental facility survey. The results show:

- The average countywide turnover rent in 2009 was \$1,369, an increase of 3.0 percentage points from 2008.
- The countywide average turnover rent for market rate units was \$1,369 in 2009, an increase of 3.0 percent from 2008 and also the smallest increase in several years.
- The average countywide holdover rent in 2009 was \$1,241. The average reported percentage increase for holdover rents was 4.1 percent.
- The Countywide vacancy rate for all surveyed units was 4.9 percent in 2009, an increase of 0.6 percentage points from the 4.3 percent vacancy rate in 2008.
- The 2009 countywide turnover rate was 31.8 percent, 0.6 percentage points lower than the 2008 turnover rate of 32.4 percent.

In the next decade, we'll have to find room for more than one hundred thousand new residents (see Table 6 for forecast data). The rate of job creation is forecast to exceed both population and household growth, likely placing further pressure on housing costs. New residential and commercial growth will likely be at higher densities than past development and will be directed to places near existing and planned transit service.

Table 6

Population, Households & Jobs										
Montgomery County, Maryland										
year	population			households			jobs			jobs/households ratio
2005	929,100	5-year change		347,000	5-year change		500,000	5-year change		1.44
2010	966,000	36,900	4.0%	362,000	15,000	4.3%	510,000	10,000	2.0%	1.41
2015	1,025,000	59,000	6.1%	386,000	24,000	6.6%	547,000	37,000	7.3%	1.42
2020	1,075,000	50,000	4.9%	408,000	22,000	5.7%	590,000	43,000	7.9%	1.45
2025	1,113,000	38,000	3.5%	425,000	17,000	4.2%	630,000	40,000	6.8%	1.48
2030	1,141,000	28,000	2.5%	440,000	15,000	3.5%	670,000	40,000	6.3%	1.52
2035	1,160,000	19,000	1.7%	451,000	11,000	2.5%	700,000	30,000	4.5%	1.55
2040	1,174,000	14,000	1.2%	460,000	9,000	2.0%	720,000	20,000	2.9%	1.57

source : Montgomery County Planning Department, Research and Technology Center, April 2009.

### *Housing Tenure and Type*

Home ownership remains dominate in Montgomery County. However, while owner occupied dwelling units accounted for 74 percent of all occupied housing units according to the 2005 Census Update Survey, this is three percentage points lower than in 2003. In 2005 51 percent of Montgomery County households resided in single-family detached homes. The remainder occupied townhouses (18%) and multi-family units (31%). Of the various types of housing in the county, garden apartments account for 20 percent, with 72 percent of these being rental properties.

Table 7 - Tenure Characteristics &amp; Household Size by Structure Type

	SINGLE-FAMILY DETACHED	TOWN-HOUSE	GARDEN APT.	HIGH-RISE	ALL TYPES
Households by Structure Type	177,335	64,575	71,395	36,695	350,000
% Total Households by Structure Type	50.7%	18.4%	20.4%	10.5%	100.0%
Average Household Size	3.08	2.69	2.16	1.56	2.66
Tenure:					
% Rental	4.0%	10.4%	71.6%	68.2%	25.7%

Source: Montgomery County Department of Planning, 2005 Census Update Survey

### *Household Size*

The Montgomery County Planning Department reports that after decades of declining average household size from 3.65 in 1960 to 2.62 in 1987, the trend bottomed out in the 1990s. The County's average household size showed a small decline from 2.7 in 2003 to 2.66 in 2005. Household size for households in all structure types showed small declines except for garden apartment households, which grew from 2.09 to 2.16.

## ***New Housing Production***

During the 1980s the county gained an average of more than 7,000 new units per year. Production dropped in the 1990s to around 3,600 per year and picked up again to average nearly 4,000 per year in the 2000s through 2008. However, the level of completions began dropping after 2002 with 2008 seeing just 2,164 units completed. Approvals (at the subdivision and site plan level, as opposed to building permits) are a leading indicator of future activity and clearly show the expected further shift toward multi-family housing, which comprises 61% of approvals from 2000 through 2008.

Table 8

Housing Completions and Approvals 2000 - 2008				
	Single-family	Townhouse	Multi-family	Total
Completions	12,575	7,681	15,602	35,858
percent of completions	35.1%	21.4%	43.5%	
Approvals	10,842	7,578	28,443	46,863
percent of approvals	23.1%	16.2%	60.7%	

Source: Montgomery County Department of Planning

## ***Housing - Preservation/Rehabilitation***

The housing stock is aging as the County is predominantly built out. This older housing stock is some of our most affordable and therefore needs to be maintained. This includes both owner and renter stock. These homes need not only rehabilitation but also preservation. Expiring subsidies and prepayments of federally assisted mortgages must be addressed.

## ***Special Needs Facilities and Services***

It is the policy of the CoC to expand permanent supportive housing rather than year-round emergency and transitional shelter. (During the winter season, the number of emergency shelter beds is increased to meet the demand to keep people safe.) Section 3A, Strategic Planning Objectives, of the Continuum of Care report (beginning on page 39 – Section 3 of this report) details the strategies and approaches to identifying and serving people in need of supportive housing

## **Strategic Plan (91.215)**

The basis for priorities given to categories in Table 2A is that the County feels it should serve those in the lowest income categories first. This has been a consistent priority for many years. Certainly there are needs in all low/moderate income families and there is an effort to judiciously use the limited resources that are available, but the County feels that the highest priority needs to be given to those with the fewest resources.

- 1) *Indicate the general priorities for allocating investment geographically within the jurisdiction and among different activities and needs....*

- Assisting vulnerable populations County-wide – those with low incomes and in need of supportive services, including the elderly, youth, the homeless, persons with disabilities, medical or other special needs and persons with limited English proficiency.
- Increasing and preserving the supply of affordable housing throughout the County, including housing for persons with special needs.
- Revitalizing older commercial areas and expanding economic opportunities

2) *Describe the reasons for assigning the priority.*

Vulnerable Populations

- The homeless are the highest priority because basic shelter is fundamental to any strategy for assisting those most in need.
- Persons with low incomes are often threatened with homelessness because of the high cost of housing in the County, and those with special needs, whether for senior assisted living or supportive services due to disability are particularly vulnerable.

Housing

- There continues to be a need for additional affordable housing units for both renters and owners. Households with low- and moderate-incomes are finding it increasingly difficult to purchase a first home in the County. Increasing the supply of affordable workforce housing is becoming a more pressing priority as housing prices force many who work in the County to seek housing outside the County, impacting the available labor force and exacerbating traffic concerns.
- Special needs housing for our most vulnerable residents, as described above, is a high priority.
- Preservation of existing affordable housing, especially public housing, is a growing concern as federal funding for maintenance decreases below what is needed and the existing housing stock ages.

Commercial areas and economic opportunities

- Revitalizing older commercial areas is a priority because doing so enhances economic opportunities that lead to job creation
- Assisting lower income households to increase their incomes by providing education, job training, childcare and other employment-related support enhances employment opportunities and self-sufficiency

3) *Identify any obstacles to meeting underserved needs;*

- Inadequate federal and state funding
- Competing demands for public services
- Challenges of development (diminishing supply of land; costs; neighborhood opposition)



- Growth of population in need – aging population; growth in numbers of residents with limited English proficiency - coupled with the inability of private, public and nonprofit sectors to meet growing needs
- Inadequate incomes of population in need

The overall goal is community improvement, including not only housing-related activities but public facilities and services and expansion of economic opportunities. Activities proposed to be undertaken with CDBG, ESG, and HOME funds are outlined in detail in this document in the [Action Plan](#) section of the Executive Summary.

The County's Capital Improvement and Public Services programs, as presented in conjunction with the FY11 Capital and Operating budgets for the County, identify specific activities that will be undertaken to meet priority needs. These activities relate to goals, strategies and outcomes and reflect the vision and guiding principles of the County that are reproduced on the inside cover of this document.

Some of the activities identified in the Capital Improvement and Public Services programs are activities that will be undertaken with federal funds provided upon approval of this Consolidated Plan by the United States Department of Housing and Urban Development. The Consolidated Plan identifies and elaborates on the following strategies:

The Consolidated Plan discusses broad strategies for meeting the gaps identified between existing resources and identified needs. The Plan identifies and elaborates on the following strategies:

- Target resources to achieve the broadest and most effective solutions to the problems of our most vulnerable residents, including the homeless and other populations with special needs;
- Increase efficiency in service delivery for housing and community development-related programs;
- Eliminate housing discrimination and barriers (legislative and other) to the provision of affordable, accessible housing;
- Encourage self-sufficiency and long-term resolution of problems by focusing limited resources to address community concerns comprehensively at the neighborhood level;
- Employ both public and private resources to preserve and create a variety of affordable housing options to meet the needs of the County's low and moderate income and special needs populations. Work to encourage accessibility in standard design;
- Set realistic goals based on available resources and current economic and social conditions; and,
- Continue economic development efforts to meet State initiatives and the current needs of businesses in the County.

## **Other Information / Plan Requirements**

### ***Administration***

The Department of Housing and Community Affairs (DHCA) is the lead County agency responsible for submission of the Consolidated Plan and Annual Action Plan to HUD for receipt of

CDBG, ESG, and HOME funds and has been responsible for administration of the funds as well. In conjunction with the implementation of the Consolidated Plan, the Human Rights Commission (HRC) is the lead County agency responsible for directing activities to further fair housing.

The Housing Opportunities for Persons with Aids (HOPWA) program is administered regionally. Montgomery County is now part of the newly created Bethesda-Frederick-Gaithersburg, MD Metropolitan Division (part of the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area), which consists of Frederick and Montgomery Counties. HUD designated the City of Frederick the HOPWA formula grantee for the Division.

### ***Eligible Activities***

A wide variety of activities that principally benefit Montgomery County's low and moderate income residents, as defined later in this document, are eligible for funds through these programs. While programs may target resources to specific populations such as the homeless (ESG) or persons with HIV/AIDS (HOPWA) or activities such as housing (HOME), the overall goal is community improvement, including not only housing-related activities but public facilities and services and expansion of economic opportunities. Activities proposed to be undertaken with CDBG, ESG, HOME, and HOPWA funds are outlined in detail later in this document.

### ***Development Process***

The Department of Housing and Community Affairs (DHCA) is the lead agency responsible for the submission of the Consolidated Plan to HUD. The Plan is to be delivered to HUD by May 15, 2010. Montgomery County residents are afforded many opportunities to express their views and opinions, identify priority needs and discuss gaps in service delivery. Volunteer boards and commissions provide community input in all aspects of public policy and administration. DHCA facilitates an annual public hearing to solicit comments from residents concerning community development needs, with residents provided further opportunity for comment at public hearings held by the County Council in conjunction with annual approval of the budget. While DHCA provides residents with an opportunity to comment on the draft Consolidated Plan, staff also incorporates public input provided through issue-orientated forums and town meetings not directly related to the development of the Consolidated Plan. For example, the County Executive and County Council hold joint public town hall meetings in various locations around the county to listen to resident concerns. Other county departments hold community forums or conduct studies to obtain input in specific policy or program areas, such as services for special populations like the homeless and persons with disabilities or initiatives in the areas of recreation, economic development or commercial revitalization. For example, persons representing some thirty organizations worked on the development of a Continuum of Care for assistance to the homeless. The County Executive's Affordable Housing Task Force was comprised of 35 public members. Contact is made with the Housing Opportunities Commission (HOC) of Montgomery County to discuss the concerns of the agency and the residents it serves. Finally, to ensure a regional perspective regarding a variety of issues including transportation, affordable housing, fair housing and the homeless, the county actively participates in the Metropolitan Washington Council of Governments (COG) as a means of furthering inter-jurisdictional cooperation.

In an attempt to make this document available for review/comment by as many interested individuals/groups as possible, draft copies were placed in the County's five regional government service centers with the public being informed by local newspaper advertisements (copy included in the report) of the availability of the document and the opportunity to comment on it prior to final submission. The newspaper ads also noted that the document was available on the County's website at: <http://www.montgomerycountymd.gov/Content/DHCA/index.asp>.

### ***Managing the Process***

DHCA is responsible for the submission of the Action Plan to HUD. A one-year Action Plan must be submitted to HUD no later than May 15, 2010. In preparation of this plan, DHCA worked closely with the Community Development Advisory Committee (CDAC) appointed by the County Executive. Additional information regarding citizen participation is found in [Appendix A](#).

A public hearing was held in October 2009 before the Community Development Advisory Committee (CDAC) to receive citizen input regarding needs to be addressed in the Plan and to review past performance. A summary of testimony from this hearing is on file at DHCA. Other hearings were held April 2010, before the County Council to receive comments on the activities proposed to be undertaken prior to finalizing the Action Plan for submission to HUD. DHCA staff consulted with and collected data from numerous sources in preparing the annual Action Plan including staff in surrounding jurisdictions and at local and State levels.

Montgomery County residents are afforded many opportunities to express their views and opinions, identify priority needs and discuss gaps in service delivery. Volunteer boards and commissions provide community input in all aspects of public policy and administration. DHCA facilitates an annual public hearing to solicit comments from residents concerning community development needs, with residents provided further opportunity for comment at public hearings held by the County Council in conjunction with annual approval of the budget. While DHCA provides residents with an opportunity to comment on the draft Consolidated Plan, staff also incorporates public input provided through issue-orientated forums and town meetings not directly related to the development of the Consolidated Plan. For example, the County Executive and County Council hold joint public meetings in various locations around the County to listen to resident concerns. Other County departments hold community forums or conduct studies to obtain input in specific policy or program areas, such as services for special populations like the homeless and persons with disabilities or initiatives in the areas of recreation, economic development or commercial revitalization. For example, persons representing some thirty organizations worked on the development of a Continuum of Care for assistance to the homeless. Finally, to ensure a regional perspective regarding a variety of issues including transportation, affordable housing, fair housing and the homeless, the County actively participates in the Council of Governments (COG) as a means of furthering inter-jurisdictional cooperation.

In addition to staff of DHCA, the lead agency in compiling the Consolidated Plan, many other agencies provided information and comments that contributed to this report. These included the Department of Health and Human Services (an umbrella for many social service programs in the County) and the Department of Economic Development. The Maryland National Capital Park and Planning Commission (MNCPPC), the cities of Rockville, Gaithersburg and Takoma Park, the Housing Opportunities Commission (HOC), Montgomery Housing Partnership (MHP), the Coalition

for the Homeless and a number of private agencies and groups also provided comment. The Community Development Citizen's Advisory Committee (CDCAC) also provided valuable input. The CDCAC is a committee of citizens appointed by the County Executive to provide advice on housing policy and to recommend proposals for community development funding. A public hearing on needs was held by the CDCAC in October of 2009.

DHCA is particularly thankful to the Department of Health and Human Services for its review function and for providing much of the statistical information that is contained in this document regarding person with special needs, e.g. those focusing on services to children, elderly persons, persons with disabilities, persons with HIV/AIDS and their families, and homeless persons.

### ***Monitoring***

Montgomery County receives annual allocations from the Federal CDBG, HOME, and ESG Programs. Monitoring standards and procedures for each program are described here.

CDBG and ESG activities are monitored according to program requirements. Subrecipients and contractors are required to submit periodic progress and financial reports and, submit quarterly benefit data reports. DHCA staff maintains regular telephone contact with subrecipients and contractors. Occasionally, staff will monitor projects as a joint effort with staff from other County Departments.

Staff provides technical assistance at the time contracts are drafted to ensure that all contractors are familiar with and understand program requirements. Topics discussed include income/beneficiary documentation, reporting, files and records management, invoicing for payment and timely expenditure of funds. In addition, staff members attend events sponsored by the sub-recipients/contractors related to programs that receive funding.

HOME: Montgomery County is responsible for ensuring that all HOME program funds are used in accordance with the program requirements. The County executes written agreements and performs monitoring of its and contractors. The County will monitor all activities assisted with HOME funds to assess compliance with ongoing program requirements.

The County has updated its internal tracking system for HOME projects to follow the timing of required cyclical inspections automatically generating requests for information, receipt of audits and benefit data reports.

DHCA staff makes periodic site visits to all grantees. These visits supplement other contacts (phone/email). The CAPER will include a list of those grantees that received site visits during the reporting period. A monitoring report is placed in the file of grantees.

The County is also subject to review by outside auditors. The current contract calls for programmatic and financial audits to be conducted annually.

### ***Institutional Structure***

The Executive Branch implements and enforces Montgomery County's laws and provides executive direction to the government. Its chief executive officer is the County Executive. There are

over 30 executive branch departments and agencies that help to deliver services to county residents. Listed below are the Departments directly involved in the services that are part of the Consolidated Plan package of services.

## Department of Housing and Community Affairs

### Housing Programs

- For Low and Moderate Income
  - Moderately Priced Dwelling Unit Program (MPDU)
  - Weatherization Program - helps you weatherize your home to save money on fuel bills.
  - Single Family Home Improvement Loan Program
  - Directory of Funding Sources For Affordable Housing
  - Productivity Housing Program
- For Public Agencies, Non-Profits & Developers
  - Multi-Family Housing Production Program
  - Group Home Rehabilitation Loan Program
  - Rehabilitation Program for Small Rental Properties
- Landlord-Tenant Resources
- Housing Code Enforcement
- Housing Initiative Fund
- Committees, Commissions, and Boards
- Real Property System - State of Maryland, Department of Assessments & Taxation
- Complaint Resolution

### Other Resources:

- Housing Opportunities Commission
  - Public Housing
  - Section 8
  - Section 236
  - Rental Assistance

- Closing Cost Assistance Program
- Housing for the Elderly
- Housing for People with Disabilities
- Programs for the Homeless
- Department of Health and Human Services (DHHS)
  - Rooming House Rental Licensing
  - Adult Homeless Initiative
  - Shelter Services
  - Emergency Family Shelter Services
  - Homeless Services
  - Transitional Services
  - Family Self Sufficiency
  - Maryland Energy Assistance Program
  - Rental Assistance Program
  - (DHHS) maintains a list of properties that are registered, licensed and available to persons with special needs.
- The Maryland-National Capital Park and Planning Commission (M-NCPPC) is a bi-county agency which manages public parkland and provides land use planning, with administration shared with Prince George's County.

Non-profit agencies and community-based organizations are extensively involved in the Consolidated Plan process. These agencies and organizations participate in the community input process providing comments to the CDCAC on the proposed funding priorities. Recipients of funding through the CDCAC process are monitored to solicit suggestions for improvements in the funding/implementation process.

These agencies reach out to the business community to secure its participation and contribution to the projects and programs funded in the County. The Continuum of Care planning process for homeless services and programs also involves many of these same organizations in a collaborative planning process in which the County is a partner in the process. Non-profits involved in affordable housing are an integral part of the process of providing and/or preserving affordable housing.

In terms of strengths, the County agencies offer not only housing programs, but housing code enforcement, the Office of Landlord-Tenant Affairs, Commercial Revitalization, and Community Planning and Development, which allows for an inter-disciplinary approach to many housing and

consolidated plan related problems. An integral part of the County's consolidated plan effort is the Housing Initiative Fund (HIF). Created in 1988, the HIF is Montgomery County's creative and flexible response to the need for housing choices that fit the County's diverse population. Rather than create a number of locally funded loan pools with separate intricate regulations, the County created one fund that can make loans to for-profit and nonprofit developers to help acquire, rehabilitate, build and preserve affordable housing. Through the HIF the County works closely with other financing sources and developers to help move housing developments from planning to completion, helping with everything from pre development funding for project planning to long-term financing. Recognizing that affordable housing developments need to truly serve their residents, the County uses the HIF to fund service-related programs such as service coordinators, neighborhood surveys and seminars for small apartment owners.

Another strength is the County's MPDU Ordinance, which created 12,786 affordable housing units through 2009 and is a model for the nation.

The largest gap is created by the fact that the demand for affordable housing units and related social services continues to exceed the supply and resources are dwindling.

Quarterly leadership forums bring managers and key staff from all County departments together to identify opportunities for collaboration and define priorities. In addition, the County has implemented a new planning and appraisal process for senior management stressing results-oriented outcomes and pay-for-performance, with an emphasis on teamwork, cooperation, and collaboration to ensure that departments work together.

## **Program Specific Requirements**

### **CDBG Program**

The total amount allocated for projects (\$6,062,912) is equal to the amount of the HUD grant plus program income.

In the past over 90% of CDBG funds have been used to benefit low- and moderate-income persons. It is anticipated that will be the case in the coming year.

### **HOME Program**

The County does not have any other forms of investment than those described in this report.

The County does not plan to use HOME funds to refinance any existing debt.

HOME funds are not used for homeownership activities.

Households who rent are at a particular risk of becoming homeless either through the conversion of their unit to condominium ownership or from their unit being foreclosed. As a result HOME tenant-based rental assistance is targeted to those who are at risk. Their incomes are at or below 30% of the area median.

Owners/property managers interested in participating in the HOME program must adhere to the County's affirmative marketing policies and procedures. They become part of the "Regulatory and Loan Agreement" executed between the owner/property manager and the County. Under this agreement, the owner/property manager implements the policies and procedures contained in the Affirmative Marketing Plan. The affirmative marketing efforts of the owner/property manager will be assessed by DHCA. To determine if a good faith effort has been made, DHCA will examine information contained in the owner/property manager's Annual Benefits Data Report. Each year, the DHCA will compare the make-up of the tenants in the development to the demographic break-down of the County as a whole and against the previous year's Annual Benefits Data Report for the development.

At the discretion of DHCA, departmental representatives may make site visits to examine the records on actions the owner/property manager has taken and compare the actions with those that DHCA requires be taken. If DHCA finds that the required actions have been carried out, it will assume that the owner/property manager has made a good faith effort to carry out these policies and procedures.

DHCA works through the County's established MFD program. The MFD program is responsible for ensuring that minority-owned businesses receive a fair share of the County's contracting opportunities. The goals of the program are to:

- Encourage economic development for minority persons. Increase business opportunities for minority persons.
- Notify minority-owned businesses of procurement opportunities.
- Provide information to minority business owners about the procurement system.
- Provide referrals for technical assistance, sureties, and financing information.
- Review procurement procedures to remove artificial barriers to competition.



## ***Resources***

### **Funding Sources**

#### **Entitlement Grant (includes reallocated funds)**

CDBG	\$5,562,912
ESG	\$224,884
HOME	\$2,491,884
<u>HOPWA</u>	<u>\$0</u>
Total	\$8,279,635

#### **Prior Years' Program Income NOT previously programmed or reported**

CDBG	\$0
ESG	\$0
HOME	\$0
<u>HOPWA</u>	<u>\$0</u>
Total	\$0

#### **Reprogrammed Prior Years' Funds**

CDBG	\$0
ESG	\$0
HOME	\$0
<u>HOPWA</u>	<u>\$0</u>
Total	\$0

#### **Total Estimated Program Income**

CDBG Program Income	\$500,000
<u>HOME Program Income</u>	<u>\$500,000</u>
Total	\$1,000,000

Section 108 Loan Guarantee Fund \$0

TOTAL FUNDING SOURCES \$9,279,635

Other Funds \$0

Submitted Proposed Projects Totals \$9,279,635

Un-Submitted Proposed Projects Totals \$0

### **Matching Funds for the HOME and ESG Programs**

During fiscal year 2010 the County invested \$57.8 million in the Housing Initiative Fund (HIF) and the Housing Acquisition and Rehabilitation Program. The HIF will be the source of the HOME fund match. The HIF has the following goals:

- Renovating distressed properties.
- Preserving housing that could be lost from the affordable housing stock.
- Building new, affordable housing including those for special needs populations.
- Helping build mixed-income communities.
- Building neighborhoods and not just housing units through supportive services and programs.
- Working toward an equitable distribution of affordable housing units.
- ESG fund match will be provided by general County revenue funds that will fund projects through the Department of Health and Human Services (DHHS). The Department provides core services that protect the community's health, protect the health and safety of at-risk children and vulnerable adults, and address basic human needs including food, shelter, clothing and personal care. The Department also provides a number of other services to assist families to be healthy, safe and strong.

### **Additional Funding Information**

Montgomery County has been successful in securing both state and other sources of federal funding to support its initiatives. The County has secured Federal Economic Development awards and other sources of Federal funding to support homeless services. State Legacy grants have been received in the past and the County will again seek this funding.

Montgomery County Executive Isiah Leggett presented his recommended \$4.3 billion operating budget for FY 2011 on March 15, 2010. His recommended FY11 budget proposes local resources that address priority needs and specific objectives described in the Consolidated Plan. It closes the \$779 million gap for fiscal year (FY) 2011 that begins July 1 while still protecting essential services and his priorities of education, public safety and the safety net for the most vulnerable. However, difficult choices had to be made in light of the continued severity of the economic recession, a doubling in the local rate of unemployment, declining residential and commercial development, and ongoing, sharp declines in tax revenues and state aid. The overall 3.8 percent decrease for all County agencies from all sources represents the only reduction in the annual County budget since the adoption of the current charter in 1968.

The FY11 budget proposes cutting costs by eliminating 452 government positions, providing no pay increases of any kind for County government workers, furloughing non-public safety County employees for 10-days, realizing cost savings from all County departments, and reducing current revenue funded expenditures in the capital budget. All told, between position abolishments, leaving positions vacant, and reductions in overtime, Leggett's budget would reduce the County government budget by 750 work-years. Budget priorities were developed with the cooperation and input of partner agencies Montgomery County Public Schools, the Park and Planning Commission, Montgomery

College and the Washington Suburban Sanitary Commission and included more than twenty focus group exercises.

Under the Recommended Budget, funding for affordable housing through the Housing Initiative Fund, a priority of the County Executive, would be reduced by \$10 million as compared to FY10 levels.

Overall, the recommended budget includes:

- Decreases for Montgomery County government of \$76.5 million, a 6.1 percent decrease;
- Reductions of \$79.5 million, a 3.9 percent decrease, for Montgomery County Public Schools (MCPS), funding 96 percent of the Board of Education's request;
- Funding decreases for Montgomery College of \$8.3 million, a 3.8 percent decrease; and
- Funding reductions for the Maryland-National Capital Park and Planning Commission of \$15.1 million, a 13.5 percent decrease.

## ***Outcomes***

### **Performance Measurement**

The County Executive has directed department heads to focus their management on the achievements of "customer results". As a first step, each department has identified not just their customers and the services they deliver to those customers but, most importantly, the outcomes for those customers.

All County departments have developed Department Performance Plans, each of which begins with the Headline Department Performance Measures, which will gauge how well customer results are being achieved, as well as the department's operational efficiency. The Performance Plan then provides a succinct analysis and an action plan, including a budget, for improving performance - as measured by the trend lines of the Headline Department Performance Measures.

The introduction of the CountyStat program adds another useful dimension in performance measurement. The four major themes of CountyStat are Capacity Building, Policy Translation, Data Analytics and Integration, and Internal Consulting. Through adherence to these principles, CountyStat seeks to improve performance by creating greater governmental accountability, providing clearer transparency into County operations, applying data analytics to the decision-making process, and ensuring decisions are implemented by conducting relentless follow-up. CountyStat is helping the County move from measuring activity and outputs to measuring outcomes and creating a culture of "managing for results". For additional information on CountyStat, please visit CountyStat website at <http://www.montgomerycountymd.gov/countystat/>.

## **CONSOLIDATED ACTION PLAN PERFORMANCE MEASUREMENT OBJECTIVES**

### **I. Suitable Living Environment**

#### **A. Outcome: Availability/Accessibility**

#### **Outcome Statements:**

- \*2,360 youth/children will have access to services that may include tutoring, mentoring and enrichment activities for the purpose of providing a suitable living environment.
- \*260 senior citizens and elderly residents will receive case management services or prescription medication or eye exams and prescription eyeglasses for the purpose of providing a suitable living environment.
- \*180 people with mental and developmental disabilities will have access to services that may include life and job skills development for the purpose of creating a suitable living environment.
- \*5,465 people will have access to social services that may include referrals for basic needs, healthcare, life and job skills training, and legal services for the purpose of providing a suitable living environment.
- \*241 persons will have access to shelter and other support services for the homeless for the purpose of providing a suitable living environment.
- \*355 persons will have access to health care services for the purpose of providing a suitable living environment.

\*estimates will be revised based on negotiated scope of service

## **B. Outcome: Sustainability**

- 5 communities/neighborhoods will have activities and services that may include streetscape enhancement, pedestrian links, and building and infrastructure improvements to create sustainability for the purpose of creating a suitable living environment.

## **II. Decent Housing**

### **A. Outcome: Availability/Accessibility**

#### **Outcome Statements:**

- 15 income eligible homeowners will receive low-interest loans and grants to eliminate major code violations for the purpose of providing decent housing.
- 40 homeowners will receive loans to eliminate code violations and make other necessary improvements, including accessibility and energy conservation improvements for the purpose of providing decent housing.
- 49 renter households will be assisted by loans provided to nonprofit organizations for the purchase and/or rehabilitation of properties for use as group homes and by improvements to single-family scattered site units in the City of Rockville for the purpose of providing decent housing.

### **B. Outcome: Affordability**

#### **Outcome Statements:**

- 121 households (the majority of whom are homeless or at-risk of becoming homeless) will receive rental assistance for the purpose of creating decent affordable housing.
- 9 households will receive assistance in becoming home owners for the purpose of creating decent affordable housing.

### **C. Outcome: Sustainability**

#### **Outcome Statements:**

- 200 housing units will benefit from code enforcement efforts for the purpose of creating sustainable housing

## **III. Economic Opportunity**

### **A. Sustainability**

#### **Outcome Statements:**

- funds will be used to implement a variety of projects on both the county and city levels that have been initiated as a result of receiving CDBG, HOME and ESG money and leveraging it with County, State and private funds.
- 20 people will benefit from improvements to commercial building facades through loans to owners of older commercial properties in areas targeted for revitalization for the purpose of creating economic opportunity

## **IV. Economic Opportunity**

### **A. Sustainability**

- funds will be used to implement a variety of projects on both the county and city levels that have been initiated as a result of receiving CDBG, HOME and ESG money and leveraging it with County, State and private funds.

### **Needs Assessment**

As part of the Consolidated Plan, all jurisdictions are required to identify priority community needs. Montgomery County has a long history of community involvement in government and currently has a number of active boards, committees and commissions appointed to advise the County Executive and members of the Council in a variety of areas. Additionally, the County Executive and members of the County Council frequently hold community forums to hear from residents on topics of community concern and interest. In October, 2009, Montgomery County held a public hearing before the Community Development Advisory Committee to take testimony on community development needs specific to developing the Consolidated Plan. This hearing is just one of many opportunities provided for public input throughout the year.

In Montgomery County, priority needs are addressed through both the Capital and the Operating budgets. For Fiscal Years 2011 - 2015, the capital budget identifies priority projects in the areas of education, transportation, economic development, infrastructure renovation/maintenance and

public safety. The County's Public Services Program and FY11 Operating Budget, while facing the first reduction in more than 40 years, does well to preserve core services in education, transportation, public health and public safety. There also continues to be a sustained commitment to affordable housing. The Executive's recommended FY11 Operating Budget includes over \$40 million in the Montgomery Housing Initiative Fund (HIF) to acquire and rehabilitate the County's affordable housing stock.

The FY11 Capital Budget and FY11-15 Capital Improvements Program (CIP) and the FY11 Operating Budget and the FY11-15 Public Service Program are incorporated herein by reference as a comprehensive presentation of needs and the County's priorities in addressing these needs.

### ***Other Special Needs***

Non-Homeless persons with alcohol or other addictions, severe mental illness, AIDS or related diseases or who are physically or developmentally disabled or victims of domestic violence have need for supportive housing and services. Without support and services these non-homeless persons are at risk of becoming homeless.

In addition to the persons mentioned above, there are several different groups within the County who need special attention due to their inability to compete with the general population for adequate health care, employment training and affordable child care.

One such group is the under-employed/low income. This group is unable to obtain adequate health care and affordable child care because of their low wages and excessively high medical and daycare expenses. Another identifiable group is the elderly. As the County's population gradually ages, the number and needs of this group continues to increase. Their primary needs are medical care, housing and transportation. The needs of the frail elderly continue to be a high priority. Supportive housing needs of the frail elderly include 24-hour supervision, provision of all meals, housekeeping service and assistance with personal care (feeding, bathing, dressing, grooming). According to the Area Agency on Aging, more group homes that provide these services are needed so that assisted group housing is available to low and moderate income elderly.

The children and youth in the County need more direct services in the form of daycare, tutoring and protection from abuse and neglect. National percentages indicate that two-thirds of all mothers of children ages 6-17 work outside the home. These statistics emphasize the need for more recreational and after school activities.

### ***Affordable Housing (91.220)***

The Outcomes section of this report, beginning on page 53, provides one year goals for affordable housing. This section also contains information on goals for rental assistance. Five-year goals are found beginning on page 65.

### *Affordable Housing Without Supportive Services*

Overall, a significantly high number of Montgomery County residents are burdened by disproportionately high housing costs. There continues to be a priority need for all types of affordable and accessible housing.

Affordability is defined as a rent level equal to or less than 30 percent of household income or a housing purchase price no more than 2.5 times household income.

Seventeen percent of all Montgomery County households reside in garden apartments according to the Planning Department's 2005 Census Update Survey. Garden apartments are primarily rental units, and are most affordable among the various types of housing in the county. Garden apartments also have the most diverse population. The African-American population accounts for 34 percent of garden apartment residents. This is twice the proportion for the county as a whole. Hispanics also represent a higher percentage of residents of garden apartments than their numbers for the entire county's population.

Only 6.1 percent of the Montgomery County household population lives in high-rises. 30.6 percent of these are age 65 or above, compared to just 8.1 percent of people living in garden apartments. Residents of high-rises are overwhelmingly white, (62.1%), and 62.6 percent have a bachelors degree or higher. One-person households comprise 60.0 percent of households residing in high-rises, yet just 63.0 percent are non-family households. High-rise dwellers have a median household income which is only 62 percent of the countywide median household income and 23.3 percent earn under \$30,000 per year compared with just 11.5 percent in all structure types. Sixty-eight point two percent of high-rise households are renters, and 46.6 percent of these high-rise renter households pay in excess of 30 percent of their income for housing.

The overall Median Family Income for the Washington-Arlington-Alexandria, DC-VA-MD HMFA for FY2009 was \$102,700. A breakdown by family size and income limits is provided in Table 9.

Table 9: Median Family Income

Family Size	Extremely Low (30% of median)	Low (50% of median)	Moderate (Section 8 Low)
1	\$21,550	\$35,950	\$44,800
2	\$24,650	\$41,100	\$51,200
3	\$27,700	\$46,200	\$57,600
4	\$30,800	\$51,350	\$64,000
5	\$33,250	\$55,450	\$69,100
6	\$35,750	\$59,500	\$74,250
7	\$38,200	\$63,650	\$79,350
8	\$40,650	\$67,800	\$84,500

Source: U.S. Department of Housing and Urban Development:

<http://www.huduser.org/portal/datasets/il/il09/md.pdf>, accessed January 2010

## *Affordable Housing With Supportive Services*

In addition to the need for affordable housing for low-income county residents not in need of supportive services, there is the added need for housing that is affordable and accessible that meets the supportive services needs of persons with physical or developmental disabilities, those who are elderly, those who are victims of abuse, and those with chronic mental illness or addictions. Funding to nonprofit organizations to purchase properties for use as group homes is one way to assist in meeting this need.

## *Shelter and Services for the Homeless*

For the homeless or those threatened with homelessness, housing choices are not only limited by affordability considerations but also by the need for supportive services. A point-in-time survey was conducted in January 2009 and indicates that Montgomery County has a homeless population of 1,247. The survey also shows that 26% are severely mentally ill and 9% are victims of domestic violence. Issues related to the special needs of the homeless recuperating after hospital discharge or those in need of health services like dental and vision care or with illnesses such as tuberculosis or HIV/AIDS have also been identified as priorities. Public services that support families, especially those benefiting children and youth and those addressing needs of the ethnically and linguistically diverse immigrants to the county, are identified as priorities, as are services for the elderly

Montgomery County has adopted a “Housing First” approach, which includes three main outcomes: prevention of homelessness, reduction in the length of time of homelessness, and decreased recidivism. The Partnership for Permanent Housing (PPH) (<http://www.mcch.net/programs/pph.html>) is an implementation tool for the Housing First approach. It reduces the amount of time families and individuals spend in homelessness by combining the case management component of transitional housing programs with quicker access to permanent housing. Other actions to implement the Housing First approach includes the conversion of two emergency shelters into assessment shelters and the redesign of their intake and assessment processes to more quickly place homeless families and individuals into housing with supportive services. You can find more information on Housing First from the Montgomery County Department of Health and Human Services - <http://www.montgomerycountymd.gov/hhstmpl.asp?url=/content/hhs/index.asp>. The need for year-round shelter and safe havens for those single homeless persons who are unwilling or are unable to assume the responsibilities inherent in participation in the county’s system of social services continues to be a priority.

The county is committed to serving homeless persons through the programs/information listed below. Homeless households should also look into other [housing programs](#), for which they may qualify, including Public Housing and the Housing Choice Voucher program.

[Montgomery County Department of Health and Human Services Special Needs Housing Programs](#)

**County Rental Assistance Program (RAP)** provides limited monthly assistance with rent to low income seniors, individuals with disabilities and families.



**Handicapped Rental Assistance Program (HRAP)** provides monthly financial assistance to individuals that reside in a group home licensed either by the State of Maryland or Montgomery County who have a mental illness which constitutes a disabling condition.

**Supportive Housing Rental Assistance Program (SHRAP).** Permanent supportive housing that provides a monthly housing subsidy and service coordination to very low income special needs renter households (both single adults and families with children).

**Homeless Families with Children:** Assessments for homeless families with children are completed in each of the regional offices. This unit coordinates the wait list for family shelter placement, completes the referrals when the family is placed, monitors the contract providers.

**Homeless Adults without Children:** Initial assessments are conducted at the Crisis Center, located on the first floor at 1301 Piccard Drive in Rockville. Case management services are provided to the residents through department staff and a network of contract providers.

**Homeless Adult Services:** This program coordinates the delivery of emergency and transitional shelter services for the homeless. The program also coordinates service providers and serves as liaison to community organizations and neighborhood groups on homeless issues.

### **Housing Opportunities Commission Programs**

**Supportive Housing:** The Supportive Housing Program provides permanent subsidized housing to 165 formally homeless families and individuals with disabilities. The head of household must be disabled in order to qualify. These programs provide case management and extensive services funded by HUD and Montgomery County.

**Shelter Plus Care (SPC):** Provides permanent subsidized housing, case management, and other services to homeless adults with severe and persistent mental illness.

**State Rental Allowance Program (RAP):** Provides temporary rental assistance to individuals that are homeless or are experiencing a critical or emergency situation.

**Transitional Housing** (see Supportive Housing above): Provides temporary or permanent rental assistance and supportive services to homeless individuals or families.

**Veterans Affairs Supportive Housing:** Provides rental assistance to homeless veterans with severe psychiatric or substance abuse disorders.

**Housing Counseling Program:** Assists low-income families or singles who are homeless or in imminent danger of becoming homeless to locate, secure, and maintain permanent housing.

Anyone who is facing a housing crisis or is homeless should contact Montgomery County at 311 to find out what services may be available for them (The Housing Opportunities Commission does NOT provide emergency housing).

## ***Affirmatively Furthering Fair Housing***

Actions to affirmatively further housing choices for all County residents are coordinated through the County's Human Rights Commission (HRC) and spearheaded by the Interagency Fair Housing Coordinating Group's (IFHCG) Fair Housing Advocacy Committee (FHAC), an entity with both public and private sector representation. The FY2010 Update to the County's Analysis of Impediments to Fair Housing Choice (AI) can be found in [Appendix C](#) of this document. Additional information on Fair Housing can be found at the following County websites:

<http://www.montgomerycountymd.gov/hmrtempl.asp?url=/content/humanrights/fairhousing.asp>.

[http://www.montgomerycountymd.gov/dhctmpl.asp?url=/content/dhca/community/Fair\\_Housing/home.asp](http://www.montgomerycountymd.gov/dhctmpl.asp?url=/content/dhca/community/Fair_Housing/home.asp).

Montgomery County will continue to work to address impediments to fair housing. Activities include:

- Testing to identify, and address, discrimination in rental and sales housing and in lending practices, followed by enforcement when necessary;
- Gathering information on the level of discrimination in the county through the use of surveys and data analysis;
- Increasing general public awareness of fair housing laws through educational and outreach activities;
- Providing training and technical assistance to housing professionals, including real estate agents, mortgage lenders, property managers, appraisers, builders, and others in the industry on ways to provide equal housing opportunities and prevent housing discrimination;
- Supporting the expansion and retention of housing that is affordable and accessible to lower-income residents; and,
- Continuing to identify and working to address impediments to housing choice through management and coordination of fair housing programs and activities and ongoing monitoring of legislation, policies and procedures.

## ***Other Actions***

The Housing Policy for Montgomery County, Montgomery County, *The Place to Call Home*, identifies a number of important goals to provide a range of affordable housing resources throughout the County to meet the needs of the County's diverse population. This policy, adopted in 2001, is bolstered by the report of the County's Affordable Housing Task Force (AHTF), published in March 2008. A report on the status of the Task Force's recommendations can be found in Appendix B of this report.

### *The Place to Call Home - Goals*

These include:

- 1) renovating distressed properties
- 2) preserving housing that could be lost to the affordable housing stock
- 3) serving a diversity of County residents -including those with special needs
- 4) helping to create

mixed-income communities

- 5) making sure that housing programs build neighborhoods and not just housing units
- 6) creating new housing opportunities, and
- 7) working toward an equitable distribution of affordable housing units.

### *The Place to Call Home - Strategies*

*Highlight:* Beginning in Fiscal Year 2004, the locally created and controlled Housing Initiative Fund (HIF) is receiving a dedicated source of revenue. Each year, the fund will receive 2.5 percent of General Fund property taxes or \$16.1 million, whichever is greater. Having a local, dedicated source of revenue provides a steady stream of capital to assist in achieving housing goals. The flexibility of this fund allows the County to create housing opportunities County-wide. Strategies include;

- 1) provision of a dedicated source of local funding for acquisition, rehabilitation, new construction and preservation of affordable housing
- 2) leverage of County funding to the greatest extent possible to meet affordable housing needs
- 3) continued support for service-related programs that enables affordable housing developments to better serve their residents
- 4) continued support for housing code enforcement
- 5) continued support for the Moderately Priced Dwelling Unit program
- 6) continued support for eviction prevention and rental assistance
- 7) enhanced data collection and coordination among County agencies
- 8) continued support for housing-related educational efforts
- 9) continued support for fair housing to ensure equal housing opportunity for all
- 10) implement the Continuum of Care for assistance to the homeless

### *Fostering and Maintaining Affordable Housing*

The Moderately Priced Dwelling Unit Program (MPDU), the County's nationally known housing program, continues to ensure that all developments of 35 units or more will contain affordable units. Efforts using HOME funds have emphasized approving projects that serve the lowest income groups possible.

A concerted effort has been made to preserve existing affordable housing through a code enforcement program that will result in the rehabilitation of 35 homes. DHCA's division of Landlord/Tenant Affairs and Common Ownership Communities licenses rental units and provides dispute mediation. It has published a landlord/tenant handbook which spells out rights and responsibilities and sponsored neighborhood clean ups. This is a comprehensive effort which is necessary to preserve our affordable housing supply.

### *Affordable Rents*

HUD regulations require that the County must adopt and make public its standard for determining affordable rents if it anticipates assisting rental housing with CDBG funds. Affordability is defined by the County as a rent level equal to or less than 30 percent of household income or a housing purchase price no more than 2.5 times household income.

The County does provide CDBG funding for Public Housing Modernization. This support of multi-family housing has created a partnership with the Housing Opportunities Commission (HOC), the County's Public Housing Authority.

As noted on its website and printed material HOC rents townhouses, condominiums and single family homes at reduced rates to people with low and moderate incomes. Located in dozens of neighborhoods throughout the County, all of the units have been built since 1986.

HOC's affordable housing programs offer below-market rents and others which base their rent on 30% of the household income. Included are:

**In-House Section 8**

Project-based units in which the subsidy is applied to the unit and is not transferable.

**Section 236**

Rent is based on 30% of income or a base-rent.

**Privately-Owned Developments**

Below market rents for households with modest income.

**Rental Supplement Program**

Developments that participate in the County-sponsored Rental Supplement Incentive Program.

**Section 8/Mod Rehab**

Provides units for very-low income households, but also moderate market rate units.

**Opportunity Housing**

Rents are moderately priced; some below market rates.

**Affordable Scattered Site Units**

HOC owns units throughout the County which are rented at below market rates.

**For the Elderly/Disabled**

Specialized housing programs for the elderly or people with disabilities.

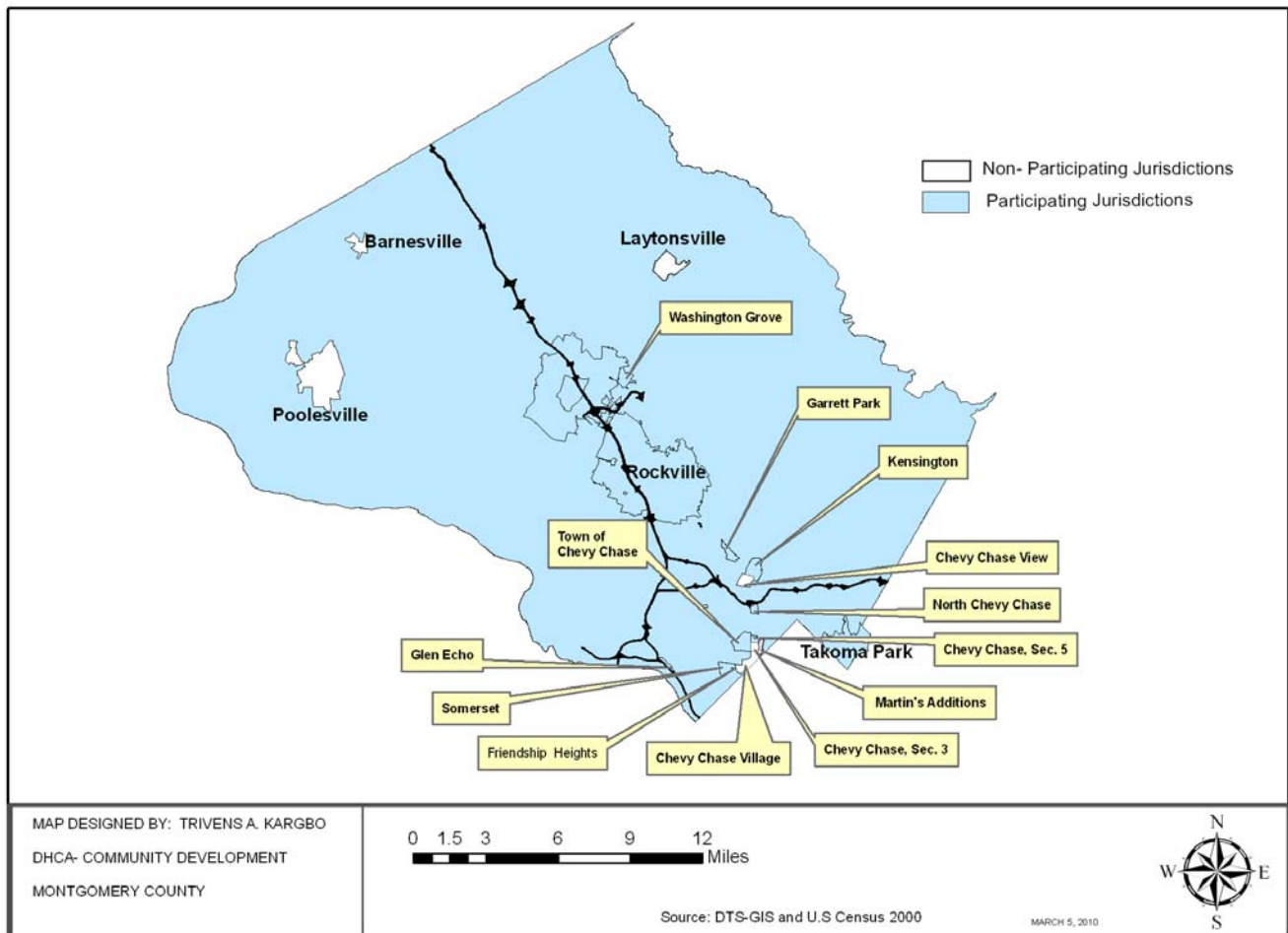
HOC must provide a certification with its Public Housing Plan that it is in conformance with the County's Consolidated Plan. This underscores the HOC commitment to affordable rents.

***Geographic Distribution***

Page nine of this report contains a [map of low and moderate income areas](#) by block group. These are the areas of direct assistance. Figure 16 below shows the participating non-participating jurisdictions. County CDBG funds can not be spent in the non-participating jurisdictions of Barnesville, Chevy Chase Section 3, Chevy Chase View, Chevy Chase Village, Laytonsville, Martins Addition, and Poolesville. A separate section of this report (Housing and Market Analysis) details

areas of minority concentration. In terms of HOPWA, residents throughout the County are eligible based on need. There are no target areas in the County.

Figure 16: Participating Jurisdictions



### ***Neighborhood Stabilization Program***

In 2009, the Federal Government awarded Neighborhood Stabilization Program (NSP) funds nationally to states and local governments to address the national housing foreclosure problem. Montgomery County received \$2,073,965 of NSP funds as a direct allocation. The State of Maryland also received a direct allocation of NSP funds from the federal government and established the "Neighborhood Conservation Initiative Program (NCI) and made a portion of these monies available to participants through a competitive process. Montgomery County received \$2,500,000 of these NSP funds through the state's NCI program.

Montgomery County's Department of Housing and Community Affairs established a partnership with the Housing Opportunities Commission (HOC), the local Public Housing Agency, to use the above identified funds to acquire, renovate, and lease foreclosed homes to families in the county whose income is less than or equal to 50% of the Area Median Income. Twelve homes have

been purchased as of February 2010, six of which have also been completely renovated. Renovations included energy saving modifications in HVAC systems, appliances, etc., as well as bath and kitchen upgrades to reduce maintenance costs.

An additional five homes will be purchased with remaining NSP funds plus \$800,000 of Community Development Block Grant (CDBG) monies, for a total of seventeen homes completed in this program.

### ***Housing Opportunities for Persons with AIDS (HOPWA)***

Quoted from: <http://www.gov.state.md.us/grants/pdfs/AnnualReport2008.pdf>, page 36:

“Annual funding from the Department of Housing and Urban Development's Housing Opportunities for Persons with AIDS (HOPWA) is provided to the State of Maryland for the service area to include Caroline, Dorchester, Kent, Somerset, Talbot, Wicomico and Worcester counties on the Eastern Shore; Allegany, Garrett, and Washington counties in Western Maryland; Montgomery and Frederick counties in Central Maryland, and Charles County in Southern Maryland. The project funds tenant-based rental assistance for person living with HIV/AIDS whose income is at or below 80% of the mean income in their county of residence. The services include a housing care plan to assist individuals in obtaining permanent stable housing.”

As addressed in Section 210(c) of the FY2009 Appropriations Act, HUD has the authority to honor an agreement between the city that is initially designated to be a formula grant recipient and their state giving the state the right to assume the grant responsibility for the initially designated grant recipient. The City of Frederick is the grantee for the Bethesda-Frederick-Gaithersburg, MD Metropolitan Division (part of the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area) that consists of Montgomery County and Frederick County. The City has reassigned the award to the State of Maryland. The Housing Authority of the City of Frederick and the Department of Health and Human Services in Montgomery County remain the program sponsors for Frederick and Montgomery County, respectively.

Maryland's Department of Housing and Community Development (DHCD) works with the AIDS Administration in the Maryland Department of Health and Mental Hygiene (DHMH) in carrying out the functions of the program. DHCD provides the housing component through rental assistance payments, while the AIDS Administration provides supportive services. The AIDS Administration contracts with the Montgomery County Department of Health and Human Services (DHHS) to provide long-term rental assistance. In addition, low-income Montgomery County residents with HIV/AIDS who receive HOPWA assistance receive case management services through DHHS. These individuals are linked with local providers who support their social service needs, which may include medical care, addiction services/treatment, referrals for counseling, emergency financial assistance, home health care aide services, and assistance with rent, moving, utility, and other expenses. Non-homeless persons with special needs, such as those with mental illness, substance abuse problems, or developmental disabilities also receive assistance from the AIDS Administration. The agency's latest Comprehensive Plan and Statewide Coordinated Statement of Need can be found online here: <http://dhmh.maryland.gov/AIDS/ProviderResources/>.

In order for local agencies to receive funding under certain competitive programs, such as those for supportive housing, the county must have an approved Consolidated Plan in place and the applications for funding under these programs must be consistent with the needs and priorities identified in the Plan.

Generally, the county will apply for, or support applications for funding from other sources that address priority needs. The level of support will be contingent on an evaluation of all direct and indirect costs to the county, including the need to commit county resources to meet any matching or cash contribution required as a condition of funding.

### ***Five-year Plan and Affordable Housing Production Goals***

The strategic plan, housing market, and needs analysis sections (among others) of this document all reflect conditions and priorities for housing that extend well into the future. The HUD tables found in Section 2 reflect five-year goals for federal spending on housing and community development needs directly provided for through CDBG, ESG, and HOME funds. Tables 9 and 10 reflect multi-year affordable housing production and preservation goals for DHCA using all funding sources. The FY08 through FY12 figures are from DHCA's Performance Plan, submitted to the Executive's CountyStat office and published online here:

<http://www.montgomerycountymd.gov/mcgtmpl.asp?url=/content/exec/stat/index.asp>. Figures for FY13 through FY15 are simply the averages FY11 and FY12 reduced by 10% due to the expected continuation of the fiscal challenges facing us now. These preservation and production goals market conditions, program history, forecast needs, and industry and provider capacity, but also input gathered in a variety of ways from Montgomery County's residents, housing providers, industry representatives, housing advocates, and public agencies.

Table 10

Housing Units Produced and Preserved								
Preservation	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13*	FY 14*	FY 15*
County Funded Units Online	34	423	222	543	380	415	415	415
No-Cost Units Online	131	0	702	737	774	680	680	680
Preservation Pipeline	954	190	150	170	175	155	155	155
Total Preservation	1,119	613	1,074	1,450	1,329	1,251	1,251	1,251
Production	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13*	FY 14*	FY 15*
County Funded Units Online	103	534	660	819	692	680	680	680
No-Cost Units Online	116	242	53	182	191	168	168	168
Preservation Pipeline	336	218	228	237	180	188	188	188
Total Preservation	555	994	941	1,238	1,063	1,035	1,035	1,035
Total Produced and Preserved	1,674							
* Estimated by taking the average of FY11 & FY12 and reducing by 10%								

Table 11

Cost Per Unit Online								
Measure	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15
Preservation	\$57,932	\$43,827	\$36,948	\$35,425	\$33,334	N/A	N/A	N/A
Production	\$68,270	\$57,076	\$34,201	\$46,858	\$37,153	N/A	N/A	N/A